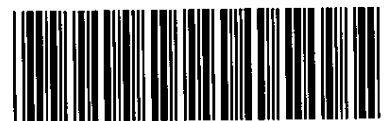


CE07 PEP LIMITED
Registered in England and Wales: No. 08777455

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

THURSDAY



A6KAJ0Y

A13

30/11/2017

#355

COMPANIES HOUSE

51.2.17 218 P.8

CONTENTS

Directors, Officers and Other Information	3
Directors' Report.....	4-6
Independent auditors' report to the members of CE07 PEP Limited	7-8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12-21

DIRECTORS, OFFICERS AND OTHER INFORMATION

Directors

F Murray
I F Rahimo
J Touzard

Company Secretary

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft
London
EC3P 3DQ

Independent Auditors

PricewaterhouseCoopers LLP
The Atrium
1 Harefield Road
Uxbridge
Middlesex
UB8 1EX

Registered Office

St Helen's
1 Undershaft
London
EC3P 3DQ

Company Number

Registered in England and Wales: No. 08777455

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their Annual Report and the audited Financial Statements of CE07 PEP Limited (the "Company") for the year ended 31 December 2016.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act.

RESULTS

The total comprehensive profit for the Company, for the year ended 31 December 2016 was £648,714 (2015: £Nil).

The Directors are not proposing the payment of a dividend in respect of financial year ending 31 December 2016 (2015: nil).

DIRECTORS

The Directors of the Company who were in office during the year and up to the date of signing the Financial Statements were as follows:

F Murray	(appointed 16 November 2016)
I F Rahimo	(appointed 2 March 2016)
J Touzard	(appointed 2 March 2016)
V Leroy	(appointed 2 March 2016, resigned 16 November 2016)
B M Lundie	(resigned 2 March 2016)
B V Woodman	(resigned 2 March 2016)
N M Billings	(resigned 2 March 2016)

PRINCIPAL ACTIVITY AND FUTURE DEVELOPMENTS

The activity of the Company was the development and operation of medium scale wind turbines. On 22 September 2016, the Company's assets became operational and were ready for trading. During the year the Company transferred its trade and assets to Medium Scale Wind No. 1 Limited at market value under a Business Transfer Agreement which resulted in profit on disposal of operations of £805,944.

The Directors expect there to be minimal activity for the foreseeable future.

GOING CONCERN

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the Financial Statements.

EMPLOYEES

The Company has no employees (2015: none).

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

DISCLOSURE OF INFORMATION TO THE INDEPENDENT AUDITORS

Each person who was a Director of the Company on the date that this report was approved, confirms that:

- (a) as far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the Directors have taken all the steps that they ought to have taken as the Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are 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.

INDEPENDENT AUDITORS

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

QUALIFYING INDEMNITY PROVISIONS

The Directors have the benefit of an indemnity provision contained in the Company's Articles of Association, subject to the conditions set out in the Companies Act 2006. This is a 'qualifying third party indemnity' provision as defined in section 234 of the Companies Act 2006.

Aviva plc, the Company's ultimate controlling party, granted in 2004 an indemnity to the Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985 (which continue to apply in relation to any provision made before 1 October 2007). This indemnity is a 'qualifying third party indemnity' for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 the financial statements, the Directors are required to:

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

The Directors 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.

For and on behalf of the board on *24 NOVEMBER 2017*



F Murray
Director

Independent auditors' report to the members of CEO7 PEP Limited

Report on the financial statements

Our opinion

In our opinion, CEO7 PEP Limited's financial statements (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 United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

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

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

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of CEO7 PEP Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 5 and 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.

Other matter

The financial statements for the year ended 31 December 2015, forming the corresponding figures of the financial statements for the period ended 31 December 2016, are unaudited.



John Dashwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

24th November 2017

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

		1 Jan 16 to 31 Dec 16 £	1 Jan 15 to 31 Dec 15 £ <u>Unaudited</u>
	<u>Note</u>		
Turnover		104,573	-
Cost of sales		<u>(24,209)</u>	<u>-</u>
GROSS PROFIT		<u>80,364</u>	<u>-</u>
Profit on disposal of operations	6	805,944	-
Administrative expenses		<u>(115,770)</u>	<u>-</u>
OPERATING PROFIT	5	<u>770,538</u>	<u>-</u>
Interest receivable and similar income		65	-
Interest payable and similar charges		<u>(121,889)</u>	<u>-</u>
PROFIT BEFORE TAXATION		<u>648,714</u>	<u>-</u>
Tax on profit	7	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		<u><u>648,714</u></u>	<u><u>-</u></u>

Continuing operations

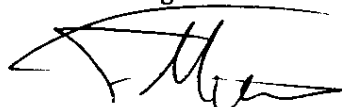
All amounts reported in the Statement of Comprehensive Income for the year ended 31 December 2016 and 31 December 2015 relate to continuing operations.

(The notes on pages 12 to 21 are an integral part of these Financial Statements)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	<u>Note</u>	<u>31 Dec 2016</u> £	<u>31 Dec 2015</u> £ <u>Unaudited</u>
FIXED ASSETS			
Tangible assets	8	-	-
CURRENT ASSETS			
Debtors: amounts falling due within one year	9	648,814	-
Cash at bank and in hand		-	100
		<u>648,814</u>	<u>100</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		-	-
NET CURRENT ASSETS		<u>648,814</u>	-
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>648,814</u>	<u>100</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	10	-	-
NET ASSETS		<u>648,814</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Retained earnings		648,714	-
TOTAL SHAREHOLDER'S FUNDS		<u>648,814</u>	<u>100</u>

The Financial Statements on pages 9 to 21 were approved by the Board of Directors on **24 NOVEMBER 2017** and signed on its behalf by:



F Murray
Director

(The notes on pages 12 to 21 are an integral part of these Financial Statements)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Called up share capital</u> £	<u>Retained earnings</u> £	<u>Shareholder's funds</u> £
BALANCE AT 1 JANUARY 2015 (UNAUDITED)	100	-	100
Total comprehensive profit for the year	-	-	-
BALANCE AT 31 DECEMBER 2015 (UNAUDITED)	<u>100</u>	<u>-</u>	<u>100</u>
Total comprehensive profit for the year	-	648,714	648,714
BALANCE AT 31 DECEMBER 2016	<u>100</u>	<u>648,714</u>	<u>648,814</u>

(The notes on pages 12 to 21 are an integral part of these Financial Statements)

Notes to the Financial Statements
Year ended 31 December 2016

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

1 GENERAL INFORMATION

CE07 PEP Limited (the “Company”) manages the development and operation of wind turbines in the United Kingdom.

The Company is a private company limited by shares and is incorporated and domiciled in England. The registered office of the Company was established at Monument House 58 Coinagehall Street, Helston Cornwall, TR13 8EL. On 29 March 2016 the registered office was moved to No. 1 Poultry, London, EC2R 8EJ and then on 19 December 2016, it was moved to St Helen’s 1 Undershaft, London, EC3P 3DQ.

2 STATEMENT OF COMPLIANCE

The Financial Statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (“FRS 102”) and the Companies Act 2006.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies are summarized below. They have all been applied consistently throughout the year and the preceding year.

(a) Basis of preparation

The Company’s Financial Statements have been prepared on a going concern basis under the historical cost convention, certain financial assets and liabilities measured at fair value through profit or loss and in accordance with FRS 102.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The Financial Statements are also presented in pound sterling.

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Statements, are disclosed in Note 4.

(b) Strategic report

A strategic report has not been included in the Financial Statements as the Company qualifies for exemption as a small entity under Section 382 of the Companies act 2006 relating to small entities.

Notes to the Financial Statements
Year ended 31 December 2016

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Cash flow

The Company has taken advantage of the exemption from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the Company's cash flows are included within the Consolidated Statements of Cash Flows of its parent entity, Aviva Investors Infrastructure Income Limited Partnership. Please refer to note 14 for further information.

(d) Going concern basis

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis in preparing the Financial Statements.

(e) Tangible assets

Tangible assets are stated at their historic purchase cost, together with any incidental expenses of acquisition less accumulated depreciation. Cost include the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use.

(f) Depreciation

Depreciation is calculated so as to write off cost of an asset, less its estimated residual value, over the expected useful economic life of that assets as follows:

Plant and Machinery - 25 years straight line

(g) Debtors and other current assets

Receivables are recognised and carried at the lower of their originally invoiced value and recoverable amount. Where the time value of money is material the receivables are carried at amortised cost. Provisions are made where there is objective evidence that the amount will not be recovered in full.

(h) Current liabilities

Other payables are recognised on an accruals basis.

(i) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Notes to the Financial Statements
Year ended 31 December 2016

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

(i) Financial assets (continued)

Basic financial assets, including debtors, cash and cash equivalents, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised costs using the effective interest method.

At the end of each reporting period financial assets measured at amortised costs are assessed for objective evidence of impairment. 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 the Statement of Comprehensive Income.

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 the Statement of Comprehensive Income.

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 the Statement of Comprehensive Income, except investments in equity instruments that are not publicly traded and whose fair value cannot be measured reliably are measured at cost less impairment.

Financial assets that are classified as receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be received, net of impairment.

Financial assets are derecognized when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risk and rewards of ownership, control of the asset has been transferred to another party which has practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Notes to the Financial Statements
Year ended 31 December 2016

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Financial instruments (continued)

(ii) Financial liabilities (continued)

Basic financial liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (transaction price excluding transaction costs).

Commitment to make which meet the conditions above are measured at cost (which may be nil) less impairment. Financial liabilities are derecognized only when the obligation specified in the contract is discharged, cancelled or expires.

(iii) Offsetting

Financial assets and liabilities are offset and the net amount 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.

(iv) Financial instruments disclosure exemption

The Company has taken advantage of the exemption, under FRS 102, from disclosure of its financial instruments, on the basis that it is a qualifying entity and the Company's financial instruments are disclosed within the consolidated Financial Statements of its parent entity, Aviva Investors Infrastructure Income Limited Partnership.

(j) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Cash at bank and in hand

Cash at bank and in hand comprise cash and cash deposit with banks, both of which are immediately available.

(l) Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the Statement of Financial Position date. Management periodically evaluates positions taken in tax returns with respect to situations in which the applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Notes to the Financial Statements
Year ended 31 December 2016

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Taxation (continued)

Deferred tax is provided in full, using the liability method on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised only to the extent that it is probably that taxable profit will be available against which deductible temporary differences, carried forward tax credits or tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date. Deferred tax relating to items recognised directly in changes in equity is recognised in the Statement of Changes in Equity attributable to the shareholder and not in the Statement of Comprehensive Income.

(m) Interest receivable and similar income

Interest receivable on cash at bank is recognised on an accruals basis. Other interest receivable and similar income is recognised using the effective rate method.

(n) Interest payable and similar expenses

Interest payable and similar expenses are recognised on an accruals basis and include loan facility interest.

(o) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transaction on the Company's Financial Statements.

The Company has taken advantage of the exemption, under FRS 102, from disclosure of transactions with related parties who are wholly owned within the same group. The Group includes the Company, its parent undertakings and its fellow subsidiary undertakings.

Notes to the Financial Statements
Year ended 31 December 2016

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Company's Financial Statements requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are based on historical experience, expectations of future events and other factors that are considered to be relevant. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the assets or liabilities affected.

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 if the revision affects only the period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting policies, the Directors have to make the following judgements which have the most significant effect on the amounts recognised in the Financial Statements:

(a) Impairment of non-financial assets

Fixed assets and other non-financial assets are reviewed for impairment at each reporting date. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairments, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(b) Valuation of fixed assets

The market value of the fixed assets transferred from the Company in the year under the Business Transfer Agreement represents an estimate of the fair value as at the transfer date. The determination of the fair value of the fixed assets requires the use of estimates such as future cash flows from assets (for instance, future power revenues, feed-in tariffs, lease payments, capital values of fixtures and fittings, plant and machinery, any environmental matters and the overall repair and condition of the assets) and discount rates applicable to those assets. Consideration of current market discount rates applied in valuations and purchases of similar assets, taking into account the scale and sector has been made.

The fixed assets have been valued using discounted cash flow analysis where a project's cash flows are forecast and subsequently discounted to present values at a rate that reflects the risk attached to the asset. The fixed assets are valued by the Fund Manager, which has significant experience in the location and class of the fixed assets being valued.

CE07 PEP LIMITED
Registered in England and Wales: No. 08777455

Notes to the Financial Statements
Year ended 31 December 2016

5 OPERATING LOSS

	1 Jan 16 to <u>31 Dec 16</u> £	1 Jan 15 to <u>31 Dec 15</u> £ <u>Unaudited</u>
This is stated after		
Depreciation of owned tangible assets	17,950	-
Auditors' remuneration	6,556	-
Foreign exchange gain	(9,661)	-
Foreign exchange loss	<u>41,042</u>	<u>-</u>

The Company did not have any employees during the current year or previous year. Directors were employed and remunerated by Aviva Investors Employments Services Limited. No recharge was made by the Parent company for their services.

6 PROFIT ON DISPOSAL OF OPERATIONS

	1 Jan 16 to <u>31 Dec 16</u> £	1 Jan 15 to <u>31 Dec 15</u> £ <u>Unaudited</u>
Profit on disposal of operations	<u>805,944</u>	<u>-</u>

On 22 December 2016, the Company transferred its entire business to its immediate parent undertaking, Medium Scale Wind No. 1 Limited, at the market value and realised a gain on disposal of £805,944.

7 TAX ON PROFIT

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's losses for this accounting year are taxed at an effective rate of 20.00% (2015: 20.25%).

	1 Jan 16 to <u>31 Dec 16</u> £	1 Jan 15 to <u>31 Dec 15</u> £ <u>Unaudited</u>
Current tax:		
Corporation tax at 20.00% (2015: 20.25%)	<u>-</u>	<u>-</u>
Deferred tax:		
Deferred tax charge for the year	<u>-</u>	<u>-</u>
Actual tax charge	<u>-</u>	<u>-</u>

CE07 PEP LIMITED
Registered in England and Wales: No. 08777455

Notes to the Financial Statements
Year ended 31 December 2016

7 TAX ON PROFIT (CONTINUED)

Factors affecting tax charge for the year:

The tax assessed for the year is lower (2015: higher) than the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%). The differences are explained below.

	1 Jan 16 to 31 Dec 16 £	1 Jan 15 to 31 Dec 15 £ <u>Unaudited</u>
Profit before taxation	648,714	-
Profit multiplied by the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	129,743	-
Effects of:		
Fixed assets differences	3,590	-
Income not taxable for tax purposes	(166,460)	-
Losses eliminated	33,127	-
Tax charged for the year	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from April 2020.

Deferred rates at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

CE07 PEP LIMITED
Registered in England and Wales: No. 08777455

Notes to the Financial Statements
Year ended 31 December 2016

8 TANGIBLE ASSETS

	<u>31 Dec 16</u> £
Cost	
At start of year	-
Additions in the year	1,810,011
Disposal in the year	<u>1,810,011</u>
At end of year	<u>-</u>
Accumulated depreciation	
At start of year	-
Charge for the year	17,950
Disposal in the year	<u>(17,950)</u>
At end of year	<u>-</u>
Net book value	
At 31 December 2015 (Unaudited)	<u>-</u>
At 31 December 2016	<u>-</u>

On 22 December 2016, the Company transferred its assets to Medium Scale Wind No. 1 Limited at market value under a Business Transfer Agreement.

9 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>31 Dec 16</u> £	<u>31 Dec 15</u> £ Unaudited
Amounts owed by group undertakings	635,669	-
VAT receivables	<u>13,145</u>	-
	<u>648,814</u>	-

Amounts due by group undertakings are unsecured, interest free and repayable on demand.

10 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

On transfer of the Company's business to Medium Scale Wind No. 1 Limited, the loan was fully eliminated.

CE07 PEP LIMITED
Registered in England and Wales: No. 08777455

Notes to the Financial Statements
Year ended 31 December 2016

11 CALLED UP SHARE CAPITAL

	<u>31 Dec 16</u> £	<u>31 Dec 15</u> £ <u>Unaudited</u>
Allotted, called up and fully paid share capital of the Company was £100 at 31 December 2016 (31 December 2015 £100) ordinary shares of £1 each	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

12 OPERATING LEASES

The Company has no operating lease commitments.

13 ULTIMATE PARENT AND CONTROLLING ENTITY

The Company's immediate parent undertaking is Medium Scale Wind No 1 Limited, a company incorporated in the United Kingdom. The ultimate parent undertaking and controlling party is Aviva Investors Infrastructure Income Limited Partnership (formerly Aviva Investors REaLM Infrastructure Limited Partnership), which is registered in London.

Aviva Investors Infrastructure Income Limited Partnership is the undertaking of the largest group of undertakings to consolidate these Financial Statements at 31 December 2016. The consolidated Financial Statements of Aviva Investors Infrastructure Income Limited Partnership can be obtained from Company Secretary at St Helen's, 1 Undershaft, London, EC3P 3DQ.

Aviva Company Secretarial Services Limited
St Helen's
1 Undershaft, London
EC3P 3DQ