

Company Registration No. 09178687 (England and Wales)

NEW ALBION WIND (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

THURSDAY



L6JS0MOY

LD2

23/11/2017

#29

COMPANIES HOUSE

NEW ALBION WIND (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	J M Linney C Corpetti M Ma	(Appointed 21 July 2016) (Appointed 21 July 2016)
------------------	----------------------------------	--

Secretary	T Hedges
------------------	----------

Company number	09178687
-----------------------	----------

Registered office	8 White Oak Square London Road Swanley BR8 7AG
--------------------------	--

Auditor	Deloitte LLP Statutory Auditor London United Kingdom EC4A 3BZ
----------------	---

Bankers	Norddeutsche Landesbank One Wood Street London EC2V 7WT
----------------	--

NEW ALBION WIND (HOLDINGS) LIMITED

CONTENTS

	Page
Directors' report	1-2
Directors' responsibilities statement	3
Independent auditor's report	4 - 5
Group statement of comprehensive income	6
Group balance sheet	7
Company balance sheet	8
Group statement of changes in equity	9
Company statement of changes in equity	10
Group statement of cash flows	11
Notes to the financial statements	12-27

NEW ALBION WIND (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Principal activities

The Company was incorporated on 15 August 2014. The Company operated as a holding company for New Albion Wind Limited. The principal activity of the Group was financing and operation of a 7 turbine (14.35MW) wind farm in Kettering, Northants.

The Company acquired 100% of the shares in New Albion Wind Limited on 22 August 2014, from the previous shareholders Infinergy Limited. Financial close took place on 15 December 2014, at which time the Group entered into a Facility Agreement with Nord LB for a term loan facility of £12,760,000.

On 4 November 2016, JLEAG Wind Limited acquired 100% of the shares in New Albion Wind Limited from the Company. The Facility Agreement with Nord LB was repaid on the same day.

The Company's consolidated accounts include the Group results up to the disposal date of the subsidiary.

Directors

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

J M Linney	
R McArthur	(Resigned 21 July 2016)
C Corpetti	(Appointed 21 July 2016)
M Ma	(Appointed 21 July 2016)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The Directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

The Group 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.

Future developments

Following the sale of the Company's subsidiary on 4 November 2016, the Directors anticipate the Company to be struck off within 12 months from the date of signing the financial statements.

Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the Company ceasing its current activities as a holding company for New Albion Wind Limited and concluded that it is no longer appropriate. See Note 1 for further details.

Auditor

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

NEW ALBION WIND (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

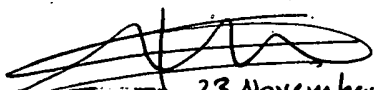
Statement of disclosure to auditor

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 Group'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 Group'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



23 November 2017

C Corpetti

NEW ALBION WIND (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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 law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of 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 Group and Company, and of the profit or loss of the Group 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 Group and Company will continue in business.

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

NEW ALBION WIND (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEW ALBION WIND (HOLDINGS) LIMITED

We have audited the financial statements of New Albion Wind (Holdings) Limited for the year ended 31 December 2016 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and the related notes on pages 12 - 27. 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 Group's and the parent 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 group's and the parent 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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 Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

NEW ALBION WIND (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEW ALBION WIND (HOLDINGS) LIMITED

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 from the requirement to prepare the strategic report or in preparing the Directors' report.



.....
William Brooks FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

23 November 2017

NEW ALBION WIND (HOLDINGS) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
Turnover	3	1,687	225
Cost of sales		(365)	(22)
Gross profit		1,322	203
Administrative expenses		(896)	(98)
Profit on sale of investment	4	5,466	-
Operating profit	5	5,892	105
Interest receivable and similar income	9	2	9
Interest payable and similar charges	10	(2,378)	(38)
Profit/(loss) on ordinary activities before taxation		3,516	76
Tax credit/(charge)	11	506	(20)
Profit for the financial year		4,022	56
Other comprehensive income			
Fair value loss arising on cash flow hedges in the year	16	(816)	(388)
Cash flow hedges loss reversed on sale of subsidiary	16	1,204	-
Deferred tax on cash flow hedge losses	18	163	70
Deferred tax on cash flow hedge losses reversed on sale of subsidiary	18	(233)	-
Total comprehensive income/(loss) for the year		4,340	(262)

The profit and loss account has been prepared on the basis that all operations are discontinuing operations at the balance sheet date.

NEW ALBION WIND (HOLDINGS) LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Intangible assets	12	-	237
Tangible assets	13	-	16,958
			17,195
Current assets			
Debtors falling due after one year	14	-	70
Debtors falling due within one year	14	4,079	1,307
Cash at bank and in hand		-	1,322
		4,079	2,699
Creditors: amounts falling due within one year	15	-	(1,610)
Net current assets		4,079	1,089
Total assets less current liabilities		4,079	18,284
Creditors: amounts falling due after more than one year	16	-	(18,147)
Provisions for liabilities		-	(398)
Net assets/(Net liabilities)		4,079	(261)
Capital and reserves			
Called up share capital	20	1	1
Hedging reserve		-	(318)
Profit and loss reserves		4,078	56
Total equity/(deficit)		4,079	(261)

The financial statements were approved by the board of directors and authorised for issue on 23 November 2017 and are signed on its behalf by:



C Corpetti
Director

NEW ALBION WIND (HOLDINGS) LIMITED

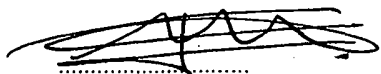
COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
Fixed assets			
Investments			251
Current assets			
Debtors falling due after one year	14	-	6,514
Debtors falling due within one year	14	4,079	209
		4,079	6,723
Creditors: amounts falling due within one year	15	-	(188)
Net current assets		4,079	6,535
Total assets less current liabilities		4,079	6,786
Creditors: amounts falling due after more than one year	16	-	(6,795)
Deferred Income			(20)
Net assets/(Net liabilities)		4,079	(29)
Capital and reserves			
Called up share capital	20	1	1
Profit and loss reserve		4,078	(30)
Total equity/(deficit)		4,079	(29)

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £4,108,000 (period ended 31 December 2015 – loss of £30,000).

The financial statements were approved by the board of directors and authorised for issue on 23 November 2017 and are signed on its behalf by:



C Corpetti
Director

Company Registration No. 09178687

NEW ALBION WIND (HOLDINGS) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £'000	Hedging reserve £'000	Profit and loss reserves £'000	Total £'000
Balance at 15 August 2014		-	-	-	-
Year ended 31 December 2015:					
Profit for the year		-	-	56	56
Other comprehensive income:					
Fair value loss arising on cash flow hedges		-	(388)	-	(388)
Deferred tax on cash flow hedges		-	70	-	70
Total comprehensive loss for the year		-	(318)	56	(262)
Issue of share capital		1	-	-	1
Balance at 31 December 2015		1	(318)	56	(261)
Year ended 31 December 2016:					
Profit for the year		-	-	4,022	4,022
Other comprehensive income:					
Fair value loss arising on cash flow hedges in the year		-	(816)	-	(816)
Reclassification adjustment of cash flow hedges on disposal of subsidiary		-	1,204	-	1,204
Deferred tax on cash flow hedge losses		-	163	-	163
Deferred tax on cash flow hedge losses reversed on sale of subsidiary		-	(233)	-	(233)
Total comprehensive profit for the year		-	318	4,022	4,340
Balance at 31 December 2016		1	-	4,078	4,079

NEW ALBION WIND (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 15 August 2014		-	-	-
Year ended 31 December 2015:				
Loss and total comprehensive income for the year		-	(30)	(30)
Issue of share capital		1	-	1
Balance at 31 December 2015		1	(30)	(29)
Year ended 31 December 2016:				
Profit and total comprehensive income for the year		-	4,108	4,108
Balance at 31 December 2016		1	4,078	4,079

NEW ALBION WIND (HOLDINGS) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £'000	2015 £'000
Cash flows from operating activities			
Cash generated from operations	23	1,194	(454)
Investing activities			
Purchase of intangible assets			(250)
Purchase of tangible fixed assets		(861)	(15,476)
Interest received		2	9
Cash outflow from disposal of subsidiary		(1,954)	-
Net cash used in investing activities		(2,813)	(15,717)
Financing activities			
Proceeds from issue of shares		-	1
Proceeds from borrowings		-	6,233
Proceeds of bank loans		1,438	11,611
Repayment of bank loans		(707)	-
Interest paid		(434)	(352)
Net cash generated from financing activities		297	17,493
Net (decrease)/increase in cash and cash equivalents		(1,322)	1,322
Cash and cash equivalents at beginning of year		1,322	-
Cash and cash equivalents at end of year		-	<u>1,322</u>

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

New Albion Wind (Holdings) Limited ("the Company") is a private company, limited by shares domiciled and incorporated in England and Wales. The registered office is 8 White Oak Square, London Road, 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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Directors have considered to voluntary liquidate the Company, therefore the accounts have been prepared on a break up basis.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £4,108,000 (period ended 31 December 2015 - loss of £30,000).

1.2 Basis of consolidation

In the consolidated financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment. The proceeds from divestment of investments in the Group are recognised at time of sale completion and netted off the carrying value of the investment at the time of sale.

1.3 Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of the Company ceasing its current activities as a holding company for New Albion Wind Limited and concluded that it is no longer appropriate. No material adjustments arose as a result of ceasing to apply the going concern basis. Following the sale of the Company's investment in New Albion Wind Limited on 4 November 2016 the Company is expected to be struck off in the foreseeable future and consequently the accounts have been prepared on a basis other than that of a going concern.

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.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Licences	26.4 years
----------	------------

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25 years
---------------------	----------

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

1.7 Borrowing costs related to fixed assets

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

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.10 Financial instruments

The Group 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 Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

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.

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.

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

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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 Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 Group after deducting all of its 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. Amounts 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, 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 hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the Group 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 Group.

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.12 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

The Group does not hold or issue derivative financial instruments for speculative purposes.

Hedge accounting

The Group designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line in this item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in the profit or loss in the same line as the recognised hedged item. However when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability concerned.

1.13 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting enddate.

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.

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

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 if, and only if, there is 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.

1.14 Provisions

Decommissioning

Provisions for future decommissioning costs are made in full when the Group has an obligation to dismantle and remove a facility and to restore the site on which it is located, and when a reasonable estimate of that liability can be made.

The amount recognised is the present value of the estimated future expenditure. An amount equivalent to the discounted initial provision for decommissioning costs is capitalised as part of the underlying fixed asset and depreciated over the life of that asset. Any change in the present value of the estimated expenditure resulting from changes in expected cash flows, inflation or discount rate is reflected as an adjustment to the provision and the underlying asset.

The unwinding of the discount is recognised as a finance cost in or in the period it arises.

Other

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group'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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Critical judgements

The directors consider there to be no critical judgements, apart from those involving estimations which are dealt with separately below.

Hedge accounting

The Directors consider the Group to have met the criteria for hedge accounting and the Group has therefore recognised fair value movements on derivatives in effective hedging relationships through other comprehensive income as well as the deferred tax thereon.

Power Purchase Agreement

The Directors have considered whether the Power Purchase Agreement entered into by the Group meets the definition of a derivative under FRS 102 in the context of characteristics of derivative contracts set out within the definition and concluded that it does not.

Deferred tax asset

The Directors have used their judgement, based on long term projections, in estimating whether there will be sufficient taxable profits in the future to recognise a deferred tax asset in relation to tax losses carried forward. The directors have also made estimates, based on those projections, about the expected timing or reversal of the deductible and taxable temporary differences when considering whether a deferred tax asset can be recognised. Whilst the directors have concluded that it is appropriate to recognise a deferred tax asset, the recovery of that asset is primarily dependent on a sustained and substantial increase in electricity prices.

Receivables

Following the sale of investments the Directors have used their judgement in determining that the receivable is recoverable as it relates to a receivable from shareholder, and supported by available reserves available for distribution.

NEW ALBION WIND (HOLDINGS) LIMITED

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

3 Turnover and other revenue

An analysis of the Group's turnover is as follows:

	2016 £'000	2015 £'000
Turnover		
Power Purchase Agreement revenue	920	106
Renewable Obligation Certificates	719	119
Other income	48	-
	<u>1,687</u>	<u>225</u>

Turnover analysed by geographical market

	2016 £'000	2015 £'000
United Kingdom	<u>1,687</u>	<u>225</u>

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 MSA revenue of £12,000 and Triad revenue of £36,000 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 Profit on sale of investment

On 4 November the Company disposed of 100% of the shares in its subsidiary New Albion Wind Limited. The Group's net profit on sale is £5,466,000.

The consideration received of £4,385,000 was based on the fair value of the subsidiary. The profit on sale of the subsidiary has resulted in a debtor balance due from the Company's parent of £4,079,000. It is the intention of the directors that this balance will be distributed to the parent company on dissolution of the Company.

5 Operating profit

	2016 £'000	2015 £'000
Operating profit for the year is stated after charging/(crediting):		
Amortisation of intangible assets	10	13
Depreciation of owned fixed assets	566	-
Operating lease charges	<u>154</u>	<u>29</u>

Amortisation of intangible assets is included within administrative expenses.

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

6 Auditor's remuneration

	2016	2015
	£'000	£'000
Fees payable to the Company's auditor and its associates:		
For audit services		
Audit of the financial statements of the Group and Company	5	3
Audit of the Company's subsidiaries	<u>9</u>	<u>11</u>

7 Employees

The Group had no employees during the current year or prior period.

8 Directors' remuneration

No directors received any remuneration for services to the Company during the current or prior year. The Company is managed by independent specialist providers of the required services under a management services contract.

9 Interest receivable and similar income

	2016	2015
	£'000	£'000
Interest income		
Interest on bank deposits	<u>2</u>	<u>9</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>2</u>	<u>9</u>
--	----------	----------

10 Interest payable and similar charges

	2016	2015
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	512	285
Interest payable to group undertakings	662	817
Capitalised interest	-	(1,064)
Reclassification of cash flow hedge loss to income statement	<u>1,204</u>	<u>-</u>
Total interest expense	<u>2,378</u>	<u>38</u>

NEW ALBION WIND (HOLDINGS) LIMITED

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

11 Taxation

	2016	2015
	£'000	£'000
Current tax		
Current tax	-	20
Total current tax	-	20
Deferred tax		
Origination and reversal of timing differences	380	-
Changes in tax rates	48	-
Adjustment in respect of prior periods	(187)	-
Tax losses carried forward	(514)	-
Deferred tax movement on swap	(233)	-
Total tax (credit)/charge	(506)	20

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

	2016	2015
	£'000	£'000
Profit/(loss) before taxation	3,516	76
Expected tax (credit)/charge based on a corporation tax rate of in the UK of 20% (2015: 20.25%)	703	16
Tax effect of expenses that are not deductible in determining taxable profit	13	4
Adjustment in respect of prior years	(187)	-
Effect of change in corporation tax rate	48	-
Tax effect of exempt income	(850)	-
Tax effect of reclassification adjustment of cash flow hedges	(233)	-
Tax (credit)/expense for the year	(506)	20

For the year ended 31 December 2016, the UK rate of 20% 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.

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

11 Taxation

(Continued)

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2016 £'000	2015 £'000
Deferred tax arising on:		
Deferred tax on interest rate swap fair value	(163)	(77)
Effect of change in tax rate on opening liability	-	7
Reclassifications from equity to profit or loss:		
Relating to cash flow hedges	233	-
Total tax recognised in other comprehensive income	70	(70)

12 Intangible fixed assets

Group	Licences
	£'000
Cost	
At 1 January 2016 and 31 December 2016	250
Divestment of asset	(250)
At 31 December 2016	-
Accumulated amortisation and impairment	
At 1 January 2016 and 31 December 2016	13
Amortisation charge for the year	8
Other changes	(21)
At 31 December 2016	-
Carrying amount	
At 31 December 2016	-
At 31 December 2015	237

NEW ALBION WIND (HOLDINGS) LIMITED

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

13 Tangible fixed assets

Group	Plant and equipment
	£'000
Cost	
At 1 January 2016 and 31 December 2016	16,958
Additions	860
Divestment of asset	(17,818)
At 31 December 2016	-
Accumulated amortisation and impairment	
At 1 January 2016 and 31 December 2016	-
Amortisation charge for the year	566
Other changes	(566)
At 31 December 2016	-
Carrying amount	
At 31 December 2016	-
At 31 December 2015	16,958

Following losing control over the subsidiary due to the sale, the tangible fixed asset was de-recognised at the balance sheet date.

14 Debtors

	Notes	Group		Company	
		2016	2015	2016	2015
		£'000	£'000	£'000	£'000
Amounts falling due within one year:					
Amounts due from parent undertakings		4,079	-	4,079	-
Amounts due from subsidiary undertakings		-	-	-	180
Other debtors		-	1,025	-	9
Prepayments and accrued income		-	282	-	20
		<u>4,079</u>	<u>1,307</u>	<u>4,079</u>	<u>209</u>
Amounts falling due after more than one year:					
Amounts due from subsidiary undertakings		-	-	-	6,514
Deferred tax asset	18	-	70	-	-
		<u>-</u>	<u>70</u>	<u>-</u>	<u>6,514</u>
Total debtors		<u>-</u>	<u>1,377</u>	<u>4,079</u>	<u>6,723</u>

Proceeds from the sale of investment were paid directly to the parent, John Laing Environmental Assets Group (UK) Limited and are left in inter-company account resulting in the balance of amounts due from the parent company and will be offset against the shareholder distribution on dissolution of the Company.

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

15 Creditors: amounts falling due within one year

		Group		Company	
		2016	2015	2016	2015
	Notes	£'000	£'000	£'000	£'000
Loans and overdrafts	17	-	667	-	-
Corporation tax payable		-	20	-	-
Trade creditors		-	134	-	-
Amount due to parent undertaking		-	188	-	188
Other creditors		-	103	-	-
Accruals and deferred income		-	498	-	-
		-	1,610	-	188

Amount due to parent undertaking comprises accrued interest outstanding on the subordinated debt £ Nil (2015: £188,000).

16 Creditors: amounts falling due after more than one year

		Group		Company	
		2016	2015	2016	2015
	Notes	£'000	£'000	£'000	£'000
Bank loans and overdrafts	17	-	17,759	-	6,795
Derivative financial instruments		-	388	-	-
		-	18,147	-	6,795

Derivative financial instruments

In December 2014, as part of its interest rate management and in accordance with the terms of its credit agreement, the Group entered into an interest rate swap maturing on 17 January 2031. Under the swap, the Group received interest on a variable basis and paid interest at a fixed rate of 2.362%.

The fixed interest swap was entered into to mitigate the interest exposure of the Group and had a negative fair value at 31 December 2015 of £388,000.

On 4 November 2016, the Company sold its investment in New Albion Wind Limited, who held the swap. Therefore, at the balance sheet date no derivative was held.

17 Loans and overdrafts

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loans	-	11,631	-	-
Loans from parent undertakings	-	6,795	-	6,795
	-	18,426	-	6,795
Payable within one year	-	667	-	-
Payable after one year	-	17,759	-	6,795

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

17 Loans and overdrafts

(Continued)

The loans are secured by a fixed and floating charge over all the assets of the Group and a charge over the shares of the Group.

Bank loans

On 4 November 2016, the Group novated its loan agreement to JLEAG Wind Limited.

Subordinated debt

On 4 November 2016, through a series of transactions as part of refinancing the sub-debt due to the parent company John Laing Environmental Assets Group (UK) Limited was cancelled in exchange for the reduction on the proceeds for the sale of New Albion Wind Limited.

18 Deferred taxation

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

	Assets 2016 £'000	Assets 2015 £'000
Group		
Deferred tax on interest rate swap fair value	-	70
	<u>-</u>	<u>70</u>

The Company has no deferred tax assets or liabilities.

	Group 2016 £'000	Company 2016 £'000
Movements in the year:		
Asset at 1 January 2016	(70)	-
Credit to profit or loss	(321)	-
Charge to other comprehensive income	76	-
Effect on change in tax rate - profit or loss	48	-
Effect of charge in tax rate - other comprehensive income	(6)	-
Movement in deferred tax on disposal of subsidiary	273	-
	<u>-</u>	<u>-</u>
Liability/(Asset) at 31 December 2016	-	-

The movement is due to the sale of the subsidiary.

The deferred tax asset in prior year related to the interest rate swap liability was expected to affect profit or loss over the period to maturity of the interest rate swap.

NEW ALBION WIND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

19 Operating lease commitments

Lessee

The Group entered into lease agreements with land owners expiring on 23 November 2037 such that the rent payable is contingent on certain conditions relating to gross income received by the Group. Based on the sale of subsidiary, the Group no longer has the lease.

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Within one year	-	184	-	-
Between two and five years	-	779	-	-
In over five years	-	5,625	-	-
	<u>-</u>	<u>6,588</u>	<u>-</u>	<u>-</u>

20 Share capital

	Group and company	
	2016	2015
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
Of £1 each	<u>1</u>	<u>1</u>

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

Other Reserves

The profit and loss reserve represents cumulative profits or losses.

21 Related party transactions

No guarantees have been given or received.

As 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 in 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.

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

NEW ALBION WIND (HOLDINGS) LIMITED

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

23 Cash generated from operations	2016 £'000	2015 £'000
Profit for the year	4,022	56
Adjustments for:		
Income tax (credit)/expense recognised in profit or loss	(506)	20
Finance costs recognised in profit or loss	2,378	38
Profit on sale of investment	(5,466)	(9)
Depreciation of fixed assets	566	13
Movements in working capital:		
Decrease/(increase) in debtors	860	(1,308)
(Decrease)/increase in creditors	(660)	736
Cash generated/(used) from operations	1,194	(454)