

REGISTERED NUMBER: 10284306 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 6 JULY 2016 TO 31 DECEMBER 2017
FOR
PKA TEESREP HOLDING (UK) LIMITED

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PKA TEESREP HOLDING (UK) LIMITED

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for the period 5 July 2018 to 31 December 2017

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PKA TEESREP HOLDING (UK) LIMITED

COMPANY INFORMATION
for the period 6 July 2016 to 31 December 2017

DIRECTORS:

S E Lawrence
S W S Norton
K Hansen

REGISTERED OFFICE:

5th Floor
6 St. Andrew Street
London
EC4A 3AE

REGISTERED NUMBER:

10264305 (England and Wales)

AUDITOR:

Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
EC4A 3BZ

PKA TEESREP HOLDING (UK) LIMITED

REPORT OF THE DIRECTORS
for the period 5 July 2016 to 31 December 2017

The directors present their report with the financial statements of the company for the period 5 July 2016 to 31 December 2017.

INCORPORATION

The company was incorporated on 5 July 2016 and commenced trading on the same date.

The company passed a special resolution on 8 November 2016 changing its name from PKA Assam Holding (UK) Ltd to PKA Teesrep Holding (UK) Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of an investment holding company.

DIVIDENDS

No dividends have been paid during the period and the directors do not recommend payment of a final dividend.

EVENTS SINCE THE PERIOD END

Information relating to events since the period end is given in note 15 of these financial statements.

FUTURE DEVELOPMENTS

The Company has invested in a joint venture to develop and build a biomass power station in Teesside. The biomass power station is still under construction and will be commissioned before year end 2019. The level of investment in the joint venture as at 31 December 2017 is £74,024,367. The Company is intending to hold this investment through its useful economic life.

DIRECTORS

The directors who have held office during the period from 5 July 2016 to the date of this report are as follows:

M V Dalsager - appointed 5 July 2016 - resigned 8 February 2018
K Hansen - appointed 8 February 2018
S E Lawrence - appointed 5 July 2016
S W S Norton - appointed 28 January 2017
D O'Flaherty - appointed 5 July 2016 - resigned 10 January 2017

DIRECTORS' INDEMNITIES

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

FINANCIAL INSTRUMENTS

Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Credit risk

The company's only debts are due to related parties and from the joint venture. The directors therefore believe on the basis of the financial model that the company faces no credit risk.

Market risk

Market risk is mitigated by selecting investments in well understood markets.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Financial Reporting Standard 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

PKA TEESREP HOLDING (UK) LIMITED

REPORT OF THE DIRECTORS - continued
for the period 5 July 2016 to 31 December 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that, so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.


AUDITOR

The directors have appointed Deloitte LLP as auditors of the Company. The auditor, Deloitte LLP have expressed their willingness to be appointed for another term and appropriate arrangements have been put in place for them to be proposed for re-appointment.

SMALL COMPANIES REGIME

In preparing the directors' report the directors have taken advantage of the small companies exemption under section 415A of the Companies Act 2006 for reduced disclosures. The directors have also taken advantage of the small companies exemption under section 414B in relation to preparation of a Strategic Report.

ON BEHALF OF THE BOARD:

 **KASPER HANSEN**
.....
Director

Date: 26/3-2018
.....

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
PKA TEESREP HOLDING (UK) LIMITED**

Report on the audit of 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 profit for the period 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 PKA Teesrep Holding (UK) Limited (the 'company') which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 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 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 financial statements, 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.

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF
PKA TEESREP HOLDING (UK) 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: 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 18 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 and regulatory requirements

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.

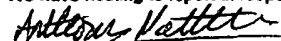
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.


Anthony Matthews (FCA) (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London

Date: 26 March 2018.

PKA TEESREP HOLDING (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
for the period 5 July 2016 to 31 December 2017

	Notes	Period from 5 July 2016 to 31 December 2017 £
TURNOVER		-
Administrative expenses		(1,186,356)
		(1,186,356)
Other operating income		2,863,309
OPERATING PROFIT	5	1,666,953
Interest receivable and similar income	6	2,031,526
Interest payable and similar expenses	7	(1,883,240)
PROFIT BEFORE TAXATION		1,815,239
Tax on profit	8	(354,166)
PROFIT FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO THE EQUITY SHAREHOLDERS OF THE COMPANY		1,461,073
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,461,073</u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.


The notes form part of these financial statements

PKA TEESEREP HOLDING (UK) LIMITED (REGISTERED NUMBER: 10264305)

STATEMENT OF FINANCIAL POSITION
31 December 2017

	Notes	£
NON-CURRENT ASSETS		
Investments	9	103,911,492
CURRENT ASSETS		
Debtors	10	883,024
Cash at bank		<u>1,251,810</u>
		2,134,834
CREDITORS		
Amounts falling due within one year	11	<u>(635,495)</u>
NET CURRENT ASSETS		<u>1,499,339</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		105,410,831
CREDITORS		
Amounts falling due after more than one year	12	<u>(29,738,839)</u>
NET ASSETS		<u>75,671,992</u>
CAPITAL AND RESERVES		
Called up share capital	13	17
Share premium		74,210,902
Retained earnings		<u>1,461,073</u>
SHAREHOLDERS' FUNDS		<u>75,671,992</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The accounts of PKA Teesrep Holding (UK) Limited (registered number 10264305) were approved by the board of directors and authorised for issue on 26 March 2018. They were signed on its behalf by:


S.E. Lawrence
Director

The notes form part of these financial statements

PKA TEESREP HOLDING (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
for the period 8 July 2016 to 31 December 2017

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
On Incorporation	1	-	-	1
Issue of share capital	18	-	74,210,902	74,210,918
Total comprehensive Income	-	1,461,073	-	1,461,073
Balance at 31 December 2017	17	1,461,073	74,210,902	75,671,992

The notes form part of these financial statements

PKA TEESREP HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the period 5 July 2016 to 31 December 2017

1. GENERAL INFORMATION

PKA Teesrep Holding (UK) Limited ("the Company") is a private company limited by shares incorporated and domiciled in England and Wales. The address of its registered office is 5th Floor, 6 St Andrew Street, London, United Kingdom, EC4A 3AE.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(c), 11.41(e), 11.42, 11.48(a)(iv) and 11.48(b);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Going concern

The financial statements have been prepared on the going concern basis. The Company has net current assets and net assets and the directors expect the Company to have sufficient resources to meet its financial obligations for the foreseeable future.

Foreign currencies

The functional and presentational currency of the Company is Sterling. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the Statement of Financial Position date. Transactions in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Current tax

Current tax is provided at the amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Investments in joint ventures

Investments in joint ventures are recognised at cost, less any impairment.

PKA TEE&REP HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 6 July 2018 to 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt Instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against change in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

PKA TEE8REP HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 6 July 2016 to 31 December 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

(i) Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(ii) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less. Bank overdrafts are presented as current liabilities to the extent that there is no right of offset with cash balances.

(iii) Trade and other payables

Trade and other payables are not interest bearing and are stated initially at fair value and subsequently held at amortised cost.

(iv) Financial liabilities

Basic financial liabilities are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities are derecognised when the liability is extinguished, that is the contractual obligation is discharged, cancelled or expires.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 the 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of investments

The company adopts the following policy using the principles outlined below, taking into account the specific circumstances of itself and the nature of its investment in Chaptre Holdings Limited.

At each balance sheet date, an impairment test is undertaken in order to determine whether any impairment is required for the investment by comparing the investment's carrying value to its estimated recoverable amount. As Chaptre Holdings Limited is not listed, the recoverable amount will be based on the value in use. The value in use calculation is based on a discounted cash flow (DCF) model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4. EMPLOYEES AND DIRECTORS

	Period 6 July 2016 to 31 December 2017 £
Wages and salaries	14,500
Social security costs	874
	<u>15,374</u>

The average monthly number of employees during the period was as follows:

Administration	<u>1</u>
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PKA TEESREP HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 5 July 2016 to 31 December 2017

4. EMPLOYEES AND DIRECTORS - continued

Period 5 July 2016
to
31 December 2017
£

Directors' remuneration

Transactions with directors

The directors received no remuneration from PKA Teesrep Holding (UK) Limited during the period from 5 July 2016 to 31 December 2017. S E Lawrence and S W S Norton, who were directors of the Company during the period, were also employees of TMF Global Services (UK) Limited, which provided accounting and administrative services to the Company and charged the Company £25,831 for its services during the period. The balance owing to TMF Global Services (UK) Limited as at 31 December 2017 was £10,859.

5. OPERATING PROFIT

The operating profit is stated after charging:

Period 5 July 2016
to
31 December 2017
£
12,500
4,368

Auditor's remuneration
Foreign exchange differences

During the period from 5 July 2017 to 31 December 2017 the company charged £2,863,309 to MGT Teesside Limited in respect of letter of credit fees. This amount has been shown as other operating income.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

Period 5 July 2016
to
31 December 2017
£
2,031,526

Interest receivable on loans to joint ventures

7. INTEREST PAYABLE AND SIMILAR EXPENSES

Period 5 July 2016
to
31 December 2017
£
1,883,240

Interest payable on loans from related parties

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

Period 5 July 2016
to
31 December 2017
£

Current tax:
UK corporation tax

354,166

Tax on profit on ordinary activities

354,166

UK corporation tax has been charged at 19.50%.

PKA TEESREP HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 5 July 2016 to 31 December 2017

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 5 July 2016 to 31 December 2017 £
Profit before tax	<u>1,815,239</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.50%	353,972
Effects of: Expenses not deductible for tax purposes	<u>194</u>
Total tax charge	<u>354,166</u>

Factors affecting future tax charges

In the 2015 Summer Budget, enacted on 18 November 2015, the Chancellor announced a reductions in the headline corporation tax rate from 20% to 19% (effective from 1 April 2017) and 18% (effective from 1 April 2020). The Finance Act 2016, which was enacted on 15 September 2016, announced that the reduction effective from 1 April 2020 would be to 17% instead of 18%, as previously announced in the 2015 Summer Budget. This will reduce the Company's future current tax charge accordingly.

9. INVESTMENTS

	2017 £
Investments in joint ventures	74,024,367
Loans to joint venture	<u>29,887,125</u>
	<u>103,911,492</u>

Additional information is as follows:

	Investments in joint ventures £
COST	
On Incorporation	
Additions	<u>74,024,367</u>
At 31 December 2017	<u>74,024,367</u>
NET BOOK VALUE	
At 31 December 2017	<u>74,024,367</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Joint ventures

Chapre Holdings Limited

Registered office: 8 White Oak Square, London Road, Swanley, Kent, United Kingdom, BR8 7AG

Nature of business: Investment Holding Company

Class of shares:	%
Ordinary	holding 50.00

PKA TEESREP HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 6 July 2016 to 31 December 2017.

9. FIXED ASSET INVESTMENTS - continued

Chaptre Finance PLC

Registered office: 8 White Oak Square, London Road, Swanley, Kent, United Kingdom, BR8 7AG
Nature of business: Financial Intermediary

Class of shares:	%
Ordinary	holding 50.00

Chaptre Holdings Limited owns all of the issued share capital of Chaptre Finance Plc. As such, PKA TeesRep Holding (UK) Limited indirectly owns 50% of Chaptre Finance PLC through its holding in Chaptre Holdings Limited.

MGT Teesside Limited

Registered office: 8 White Oak Square, London Road, Swanley, England, BR8 7AG
Nature of business: Construction of Teas Renewable Energy Plant

Class of shares:	%
Ordinary	holding 50.00

Chaptre Holdings Limited owns all of the issued share capital of MGT Teesside Limited. As such, PKA TeesRep Holding (UK) Limited indirectly owns 50% of MGT Teesside Limited through its holding in Chaptre Holdings Limited.

	Loans to joint ventures £
Loans issued to joint venture during the period	<u>29,887,125</u>
At 31 December 2017	<u>29,887,125</u>

On 10 August 2016 the company entered into a Loan Note Instrument Agreement with Chaptre Holdings Limited. The loan attracts interest at a rate of 8% per annum and is redeemable 15 years under the Completion Date. At the statement of financial position date £2,031,526 interest was accrued in respect of the loan notes.

Investments are held at cost less impairment because their fair value cannot be measured reliably.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £
Prepayments and accrued income	<u>883,024</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £
Trade creditors	16,297
Amounts owed to parent undertaking	5,028
Amounts owed to related parties	221,830
Corporation tax	354,168
VAT	5,901
Accruals and deferred income	<u>32,273</u>
	<u>635,495</u>

Amounts owed to the parent undertaking and to related parties are non-interest bearing and repayable on demand.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £
Amounts owed to related parties	<u>29,738,839</u>

PKA TEESREP HOLDING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the period 5 July 2016 to 31 December 2017

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued

On 8 August 2016 the company entered into individual Loan Note Instrument Agreements with Pensjonskassen for Sundhedsfaglige, Pensjonskassen for Socialradgivere, Socialpaedagoger og Kontorpersonale and Pensjonskassen for Sygeplejersker og Laegesekretaerer, who together are the joint owners of the company. The loans attract interest at a rate of 8% per annum and are redeemable 15 years under the Completion Date. At the statement of financial position date £1,883,240 of interest was accrued in respect of the loan notes.

The amounts are repayable by instalments as follows:

	2017 £
Between 1 and 5 years	27,859,000
More than 5 years	1,879,839
	<u>29,738,839</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	£
17	Ordinary	£1	<u>17</u>

1 Ordinary share of £1 each was issued, allotted and fully paid on incorporation. 16 ordinary shares of £1 each were issued, allotted and fully paid at a premium of £74,210,902 during the period. The ordinary shares carry voting rights of 1 vote per share.

14. RELATED PARTY DISCLOSURES

The Company has taken advantage of exemption, under the terms of FRS 102, not to disclose related party transactions with wholly owned subsidiaries within the group.

During the period from 5 July 2016 to 31 December 2017 the Company borrowed £4,149,331 from Pensjonskassen for Sundhedsfaglige, £14,275,968 from Pensjonskassen for Socialradgivere, Socialpaedagoger og Kontorpersonale and £9,430,300 from Pensjonskassen for Sygeplejersker og Laegesekretaerer, who together are the joint owners of the company.

Interest of £1,883,240 was charged to the Income Statement during the period in respect of the amounts borrowed from the group companies.

At 31 December 2017 the amount due to Pensjonskassen for Sundhedsfaglige was £4,563,644. The amount due to Pensjonskassen for Socialradgivere, Socialpaedagoger og Kontorpersonale was £14,803,275 and to Pensjonskassen for Sygeplejersker og Laegesekretaerer was £10,371,920.

During the period from 5 July 2016 to 31 December 2017, the Company charged £2,883,308 to MGT Teesside Limited in respect of letter of credit fees. The amount due from MGT Teesside as at 31 December 2017 was £883,024.

No director received emoluments in respect of their services to the Company during the period.

15. EVENTS SINCE THE PERIOD END

There were no significant events since the period end that need disclosing in these financial statements.

16. ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent undertaking is PKATeesRep Holding ApS, registered in Denmark. The financial statements of PKA TeesRep Holding ApS may be obtained from Tuborg Boulevard 3, Hellerup, 2900, Denmark.

PKA TeesRep Holding ApS is jointly controlled by Pensjonskassen for Sundhedsfaglige, Pensjonskassen for Socialradgivere, Socialpaedagoger og Kontorpersonale and Pensjonskassen for Sygeplejersker og Laegesekretaerer.

PKA TeesRep Holding ApS is also the largest and the smallest undertaking to include the results of PKA TeesRep Holding (UK) Limited.