

Financial Statements

Auquhirie Land Company Limited

For the year ended 31 March 2017

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Registered number: SC297221

Auquhirie Land Company Limited

Company Information

Directors	C J Dean S Noble S J Foy
Company secretary	S J Foy
Registered number	SC297221
Registered office	13 Queen's Road Aberdeen Aberdeenshire AB15 4YL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB

Auquhirie Land Company Limited

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Directors' report

For the year ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Principal activity

The principal activity of the Company during the year was the operation of a wind farm for the generation and sale of electricity.

Results and dividends

The loss for the year, after taxation, amounted to £149,987 (2016 - profit £46,463)

Directors

The directors who served during the year were:

C J Dean
S Noble
S J Foy

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 for the Company's financial statements and then apply them consistently;
- make judgments 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.

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.

Directors' report (continued)

For the year ended 31 March 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that 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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small Companies Note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Board of Directors on 15 May 2017 and signed on its behalf.



S Noble
Director



Independent auditor's report to the members of Auquhirie Land Company Limited

We have audited the financial statements of Auquhirie Land Company Limited for the year ended 31 March 2017, which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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, as set out on page 1, 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent auditor's report to the members of Auquhirie Land Company Limited (continued)

Opinion 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 those financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Grant Thornton UK LLP

Christopher Martin
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
15 May 2017

Statement of comprehensive income

For the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover - continuing operations	3	1,259,983	1,464,240
Cost of sales		(723,100)	(663,416)
Operating profit - continuing operations	4	536,883	800,824
Interest payable and similar charges	6	(719,185)	(751,068)
(Loss)/profit before tax		(182,302)	49,756
Tax on (loss)/profit	7	32,315	(3,293)
(Loss)/profit for the year		(149,987)	46,463
Other comprehensive income for the year			
Cash flow hedge: Change in value of hedging instrument		19,727	(94,954)
Tax relating to components of other comprehensive income		(10,417)	4,864
Other comprehensive income for the year		9,310	(90,090)
Total comprehensive income for the year		(140,677)	(43,627)

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

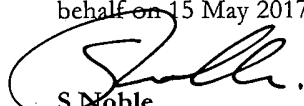
The notes on pages 9 to 20 form part of these financial statements.

Balance sheet

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	8	7,188,567	7,630,779
		<u>7,188,567</u>	<u>7,630,779</u>
Current assets			
Debtors: amounts falling due within one year	9	353,741	353,123
Cash at bank and in hand	10	1,680,360	1,543,441
		<u>2,034,101</u>	<u>1,896,564</u>
Creditors: amounts falling due within one year	11	(1,359,822)	(979,869)
Net current assets		<u>674,279</u>	<u>916,695</u>
Total assets less current liabilities		<u>7,862,846</u>	<u>8,547,474</u>
Creditors: amounts falling due after more than one year	12	(8,420,336)	(8,964,287)
Net liabilities		<u>(557,490)</u>	<u>(416,813)</u>
Capital and reserves			
Called up share capital	16	1,000	1,000
Other reserves	17	(569,883)	(579,193)
Profit and loss account	17	11,393	161,380
		<u>(557,490)</u>	<u>(416,813)</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 15 May 2017.


S Noble
Director

The notes on pages 9 to 20 form part of these financial statements.

Statement of changes in equity

For the year ended 31 March 2017

	Called up share capital	Cash flow Hedging Reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015	1,000	(489,103)	114,917	(373,186)
Comprehensive income for the year				
Profit for the year	-	-	46,463	46,463
Change in fair value of hedging instrument (Note 14)	-	(94,954)	-	(94,954)
Taxation in respect of items of other comprehensive income	-	4,864	-	4,864
Other comprehensive income for the year	-	(90,090)	-	(90,090)
Total comprehensive income for the year	-	(90,090)	46,463	(43,627)
At 1 April 2016	1,000	(579,193)	161,380	(416,813)
Comprehensive income for the year				
Loss for the year	-	-	(149,987)	(149,987)
Change in fair value of hedging instrument (Note 14)	-	19,727	-	19,727
Taxation in respect of items of other comprehensive income	-	(10,417)	-	(10,417)
Other comprehensive income for the year	-	9,310	-	9,310
Total comprehensive income for the year	-	9,310	(149,987)	(140,677)
At 31 March 2017	1,000	(569,883)	11,393	(557,490)

The notes on pages 9 to 20 form part of these financial statements.

Statement of cash flows

For the year ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(149,987)	46,463
Adjustments for:		
Depreciation of tangible assets	442,212	442,106
Interest paid	719,185	751,068
Taxation charge	(32,315)	3,293
Decrease in debtors	21,280	92,260
Increase in creditors	46,883	12,043
Net cash generated from operating activities	1,047,258	1,347,233
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(7,552)
Net cash from investing activities	-	(7,552)
Cash flows from financing activities		
Repayment of loans	(422,034)	(356,086)
Interest paid	(488,305)	(520,821)
Net cash used in financing activities	(910,339)	(876,907)
Net increase in cash and cash equivalents	136,919	462,774
Cash and cash equivalents at beginning of year	1,543,441	1,080,667
Cash and cash equivalents at the end of year	1,680,360	1,543,441
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,680,360	1,543,441
	1,680,360	1,543,441

The notes on pages 9 to 20 form part of these financial statements.

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies

1.1 Company information

Auquhirie Land Company Limited is incorporated in the United Kingdom, and its registered office is at 13 Queens Road, Aberdeen, Aberdeenshire, AB15 4YL.

The principal activity of the Company during the year was the operation of a wind farm for the generation and sale of electricity.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The financial statements are presented in pounds Sterling (£).

Going concern

The financial statements have been prepared on a going concern basis. The following paragraphs set out the basis on which the directors have reached their conclusion.

The Company currently meets its working capital requirements through its cash balances and bank funding.

The Company's forecasts and projections, which have been prepared to 31 March 2019 show that the Company will be able to operate within the level of the Company's current cash resources and bank borrowing facilities.

The directors have concluded, after making enquiries, that they have a reasonable expectation that the Company has access to adequate resources, and the support from its ultimate parent company, to enable it to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The following principal accounting policies have been applied:

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies (continued)

1.3 Revenue

The Company sells electricity under the terms of Power Purchase Agreements ("PPAs"). Revenue recognition is a function of the number of megawatts generated in a period, multiplied by the contractual price per megawatt due under the terms of the PPA.

Under the terms of the PPA the contractual price paid per megawatt is a combination of the wholesale price of electricity and Government incentives; Renewable Obligation Certificates ("ROC"), Levy Exemption Certificates ("LEC") (closed in August 2015) and Climate Change Levy ("CCL"). The Government incentive program is managed by Ofgem, the UK's independent energy regulator and the timing of the receipt of each incentive is dictated by the regulator.

Revenue is measured monthly and invoiced after the period of generation. Revenue earned but not invoiced is included in other debtors.

Income is recognised net of VAT.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Wind turbines	- 20 years straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies (continued)

1.7 Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into.

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. In addition, contracts which result in the entity delivering a variable number of its own equity instruments are financial liabilities. Shares containing such obligations are classified as financial liabilities.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Dividends and distributions relating to equity instruments are debited directly to reserves.

Financial instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

Financial instruments constituting a financing transaction are measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

The Company holds derivative financial instruments which have the effect of fixing the interest rate payable on bank borrowings. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

The Company applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge) is recognised in the profit and loss account.

Notes to the financial statements

For the year ended 31 March 2017

1. Accounting policies (continued)

1.7 Financial instruments (continued)

The gain or loss recognised in other comprehensive income is reclassified to the profit and loss account when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Following the de-designation of the hedge relationship, the cash flow hedging reserve will be recycled to profit and loss, using a weighted average notional methodology, in the same periods during which the hedged expected future cash flows affect profit or loss.

1.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.9 Finance costs

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the financial statements

For the year ended 31 March 2017

2. Judgments in applying accounting policies and key sources of estimation uncertainty

Management have applied their own judgement to assess the appropriateness of the key accounting policies, and to ensure that they are compliant with FRS102.

The items in the financial statements where these judgements and estimates have been made include:

Financial instruments

All derivatives are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Adjustments are also made when valuing financial liabilities measured at fair value to reflect the Company's own credit risk. Where the market for a financial instrument is not active, fair value is established using a valuation technique. The Company has applied hedge accounting in the period. Valuation techniques are also involved to establish the effectiveness of the hedging relationship. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market-based data.

3. Turnover

All turnover arose within the United Kingdom and is attributable to the Company's principal activity.

4. Operating profit

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	442,212	442,106

The audit fee for the current and prior year has been borne by a fellow group company.

5. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2016 - £NIL).

6. Interest payable and similar charges

	2017	2016
	£	£
Bank interest payable	488,305	519,555
Interest on loans from group undertakings	230,880	231,513
	719,185	751,068

Notes to the financial statements

For the year ended 31 March 2017

7. Taxation

	2017 £	2016 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(32,315)	3,293
Total deferred tax	(32,315)	3,293
Taxation on (loss)/profit on ordinary activities	(32,315)	3,293

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	(182,302)	49,756
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(36,460)	9,951
Effects of:		
Expenses not deductible for tax purposes	-	(7,078)
Depreciation on ineligible fixed assets	6,083	-
Adjustment in respect of movement in tax rates	(1,938)	420
Total tax (credit) / charge for the year	(32,315)	3,293

Notes to the financial statements

For the year ended 31 March 2017

8. Tangible fixed assets

	Wind Turbines £
Cost or valuation	
At 1 April 2016	8,918,328
At 31 March 2017	8,918,328
Depreciation	
At 1 April 2016	1,287,549
Charge for the period on owned assets	442,212
At 31 March 2017	1,729,761
Net book value	
At 31 March 2017	7,188,567
At 31 March 2016	7,630,779

Notes to the financial statements

For the year ended 31 March 2017

9. Debtors

	2017 £	2016 £
Prepayments and accrued income	312,515	339,694
Tax recoverable	9,083	3,184
Deferred taxation (note 15)	32,143	10,245
	<u>353,741</u>	<u>353,123</u>

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>1,680,360</u>	<u>1,543,441</u>

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank loans (note 13)	524,224	422,034
Trade creditors	73,965	96,898
Amounts owed to group undertakings	596,476	253,208
Accruals and deferred income	165,157	207,729
	<u>1,359,822</u>	<u>979,869</u>

12. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans (note 13)	7,733,730	8,257,954
Derivative financial instruments	686,606	706,333
	<u>8,420,336</u>	<u>8,964,287</u>

Notes to the financial statements

For the year ended 31 March 2017

13. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Bank loans	524,224	422,034
Amounts falling due 1-2 years		
Bank loans	523,592	524,224
Amounts falling due 2-5 years		
Bank loans	1,869,995	1,748,511
Amounts falling due after more than 5 years		
Bank loans	5,340,143	5,985,219
	<u>8,257,954</u>	<u>8,679,988</u>

Bank borrowings relate to two loan facilities granted by The Co-operative Bank plc.

Borrowings totalling £8,257,954 (2016: £8,679,988) were outstanding under these facilities as at 31 March 2017. Both loans are secured by way of a fixed and floating charge over all current and future assets of the company and are repayable in bi-annual amounts commencing from November 2013. Interest is payable at 3.5% and 5% above LIBOR for Facility A and Facility B respectively.

The company has entered into an interest rate swap as set out in note 14.

Notes to the financial statements

For the year ended 31 March 2017

14. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>1,992,875</u>	<u>1,882,441</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(9,116,716)	(9,237,824)
Derivative financial instruments designated as hedges of variable interest rate risk	<u>(686,606)</u>	<u>(706,333)</u>
	<u>(9,803,322)</u>	<u>(9,944,157)</u>

Financial assets measured at amortised cost comprise prepayments and accrued income and cash.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and bank loans.

The Company has entered into an interest rate swap agreement whereby it pays a fixed rate of interest of 2.52% per annum in respect of amounts drawn under the facilities. The interest rate swap settles on a six monthly basis. The floating rate on the interest rate swap is based on floating LIBOR. The Company will settle the difference between the fixed and floating interest on a net basis. The Company incurred interest payable of £185,801 (2016: £162,031) in relation to these agreements. The swap expires on 31 May 2023. The swap had a mark to market valuation as at 31 March 2017 amounting to a liability of £686,606 (2016: £706,333).

Cash flows of both the loan and the interest rate swaps are half yearly until 2024. During 2017, a hedging profit of £19,727 (2016: loss £94,954) was recognised in other comprehensive income for changes in the fair value of the interest rate swap.

The valuation of interest rate swaps is based on a model which compares the discounted contractual fixed rate payments with variable rate inflows where the variable rates are determined by market yield curves. The interest rate swap has been adjusted for own credit risk if the directors have concluded that this would have a material impact.

Notes to the financial statements

For the year ended 31 March 2017

15. Deferred taxation

	2017 £	2016 £
At beginning of year	10,245	8,674
Credit/ (charged) to the profit or loss	32,315	(3,293)
Charged to other comprehensive income	(10,417)	4,864
At end of year	32,143	10,245

The deferred tax asset is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(84,580)	(116,895)
Derivative financial instrument	116,723	127,140
	32,143	10,245

16. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000

17. Reserves

Cash flow hedging reserve

The hedging reserve includes all hedging gains and losses.

Profit and loss account

This includes all current and prior period retained profit and losses.

18. Contingent liabilities

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 March 2017 or 31 March 2016.

Notes to the financial statements

For the year ended 31 March 2017

19. Related party transactions

	2017 Amounts due to £	2016 Amounts due to £	2017 Expenditure £	2016 Expenditure £
Blue Energy Wind Holdings Limited	484,089	253,208	230,880	231,513
Blue Energy Partnerships Holdings Limited	112,387	-	-	-
	<u>596,476</u>	<u>253,208</u>	<u>230,880</u>	<u>231,513</u>

All related parties are under common ownership of Blue Energy Partnerships Holdings Limited.

20. Controlling party

The immediate parent company is Blue Energy Wind Holdings Limited by virtue of its ownership of the entire allotted share capital of the company.

The ultimate parent undertaking is Blue Energy Partnerships Holdings Limited, a company incorporated in England and Wales.