

Registered Number: 7056616

Green Frog Power Limited

Report and Financial Statements

31 March 2015

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COMPANIES HOUSE

Directors

M W Jones
J W K Taylor
J E Hall-Smith
G Bellizia

Secretary

N G Beaumont

Auditors

Ernst & Young LLP
No1 Colmore Square
Birmingham
B4 6HQ

Bankers

Royal Bank of Scotland
135 Bishopsgate
London EC2M 3UR

Lloyds TSB Bank plc
125 Colmore Row
Birmingham B3 2SD

Registered Office

17 The Courtyard
Gorsey lane
Coleshill
Birmingham B46 1JA

Strategic report

The directors present their strategic report and the financial statements for the year ended 31 March 2015.

Principal activity and review of the business

The Group provides STOR services to National Grid comprising 214MW from twelve sites across England and Wales. This is the group's second full year of trading.

The Group has maintained excellent levels of availability but has not been called up during the year.

The Group has successfully completed its transition to in-house maintenance thereby considerably reducing its servicing costs.

The Group has also been able to utilise its surplus capacity on site to generate successfully during all three Triads and thereby contributing a further £4.0m gross profit.

As planned the Group has repaid a further £3.4m of the senior term loan facility during the year. During the year the Group has raised additional £3.2m of junior debt (£3.0m after planned repayments during the year).

The directors believe that as the electricity sector comes under increasing stress due to the unreliability of solar and wind power and due to the de-commissioning of legacy generation capacity, there will be increased utilisation calls made on the Group. The directors continue to search for alternative uses for the Group's surplus capacity.

The Group continues to perform in line with its plans and the directors look forward to continued success in the coming year.

Principal risks and uncertainties

The Group's main operating activity is its STOR project, on which it has secured 15-year contracts (of which 11 years remain) with National Grid. The business model is based on the minimum amounts receivable under these contracts. The major business risk is failure to be available to National Grid as and when required. The directors seek to minimise this risk by maintaining all plant and machinery to the highest possible standards and test the operational capability on a regular basis.

The Group also runs its spare generation capacity during the winter months for Triad revenue. The major business risk is failing to generate at the appropriate times. This is managed by careful monitoring of national demand data during the Triad season and responding accordingly.

The Group's principal financial investments comprise cash, cash equivalents and loans. Other financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the Group's operating activities.

The main risks associated with the group's financial assets and liabilities are set out below:

Interest rate risk

Interest on the Group's senior loan is LIBOR-linked. The Group uses interest rate derivatives to reduce its exposure to volatility in interest payments.

Credit risk

The Group has external debtors, however, the group undertakes assessments of its customers in order to ensure that credit is not extended where there is a likelihood of default.

Strategic report

Principal risks and uncertainties (continued)

Liquidity risk

The Group aims to mitigate liquidity risk by managing cash generated by its operations.

Foreign currency risk

The Group does not have any significant foreign currency transactions and therefore is not exposed to any significant foreign currency risk.

By order of the Board



N G Beaumont

Secretary

Date 9/11/15

Registered No. 7056616

Directors' report

The directors present their report and financial statements for the year ended 31 March 2015.

Results and dividends

The Group profit for the year after taxation amounted to £4,242,301 (2014 – profit of £1,382,303). Interim dividends of £1,227,520 were paid in the year (2014 – £nil). The directors do not recommend a final dividend (2014 – £nil).

Going concern

The directors have performed an assessment of the Group's ability to continue trading as a going concern, by reference to trading forecasts and financing requirements for a period of 12 months from the approval of these financial statements. The Company has net current liabilities and is reliant on the continued support of the subsidiary entity to enable it to meet its liabilities as they fall due. The directors are satisfied that the going concern basis of preparation for these financial statements is appropriate.

Directors

The directors who served the company during the year and appointed subsequently were as follows:

M W Jones	
J W K Taylor	
J E Hall-Smith	
G Bellizia	(appointed 28 May 2014)
R Crawford	(resigned 28 May 2014)
R K Gudgeon	(resigned 30 May 2014)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the Board



N G Beaumont

Secretary

Date 9/11/15

Statement of directors' responsibilities

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). 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 the 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Green Frog Power Limited

We have audited the financial statements of Green Frog Power Limited for the year ended 31 March 2015 which comprise the Group Profit and Loss Account, the Group Statement of Total Recognised Gains and Losses, the Group and Company Balance Sheets, the Group Statement of Cash Flows and the related notes 1 to 19. 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).

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 set out on page 5, 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 undertaking'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 Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent undertaking's affairs as at 31 March 2015 and of the group's 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

to the members of Green Frog Power 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 undertaking, 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.

Ernst & Young

Steven Bagworth (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
Date 12 November 2015

Group profit and loss account

For the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover	2	16,139,718	12,167,620
Cost of sales		(4,255,227)	(1,443,771)
Gross profit		11,884,491	10,723,849
Administrative expenses		(1,642,538)	(3,676,288)
Operating profit	3	10,241,953	7,047,561
Interest payable and similar charges	6	(4,944,413)	(5,065,088)
Profit on ordinary activities before taxation		5,297,540	1,982,473
Tax	7	(1,055,239)	(600,170)
Profit for the financial year	14	<u>4,242,301</u>	<u>1,382,303</u>

All amounts relate to continuing activities.

Group statement of total recognised gains and losses

For the year ended 31 March 2015

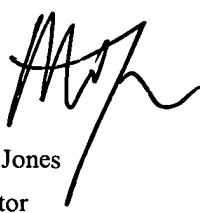
There are no recognised gains or losses other than the profit attributable to the shareholders of the Group of £4,242,301 in the year ended 31 March 2015 (2014 – profit of £1,382,303).

Group balance sheet

at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Tangible assets	8	56,508,532	55,429,876
Current assets			
Stocks		281,177	366,287
Debtors	10	9,057,245	4,497,742
Cash at bank and in hand		4,621,720	4,568,784
		13,960,142	9,432,813
Creditors: amounts falling due within one year	11	(7,860,490)	(6,252,850)
Net current assets		6,099,652	3,179,963
Total assets less current liabilities		62,608,184	58,609,839
Creditors: amounts falling due after more than one year	12	(58,745,515)	(58,023,010)
Provisions for liabilities			
Deferred tax	7	(261,041)	–
Net assets		3,601,628	586,829
Capital and reserves			
Called up share capital	13	1,458	1,440
Share premium account	14	4,489,559	4,489,559
Profit and loss account	14	(889,389)	(3,904,170)
Shareholders' funds	14	3,601,628	586,829

The financial statements of Green Frog Power Limited were approved for issue by the board and signed on their behalf by:



M W Jones

Director

Date 9/11/15

Company registration number 7056616

Company balance sheet

at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Investments	9	4,000,000	4,000,000
Tangible assets	8	2,989,216	722,478
		<u>6,989,216</u>	<u>4,722,478</u>
Current assets			
Debtors	10	4,109,800	1,226,309
Cash at bank and in hand		653,493	1,033,634
		<u>4,763,293</u>	<u>2,259,943</u>
Creditors: amounts falling due within one year	11	<u>(6,115,066)</u>	<u>(1,069,700)</u>
Net current (liabilities)/assets		<u>(1,351,773)</u>	<u>1,190,243</u>
Total assets less current liabilities		5,637,443	5,912,721
Creditors: amounts falling due after more than one year	12	<u>(1,146,426)</u>	<u>(230,000)</u>
Net assets		<u>4,491,017</u>	<u>5,682,721</u>
Capital and reserves			
Called up share capital	13	1,458	1,440
Share premium account	14	4,489,559	4,489,559
Profit and loss account	14	–	1,191,722
Shareholders' funds	14	<u>4,491,017</u>	<u>5,682,721</u>

The financial statements of Green Frog Power Limited were approved for issue by the board and signed on their behalf by:



M W Jones

Director

Date 9/11/15

Company registration number 7056616

Group statement of cash flows

for the year ended 31 March 2015

	2015	2014
Note	£	£
Group operating profit	10,241,953	7,047,561
Depreciation	1,318,361	1,294,848
Decrease in stocks	85,110	25,867
Increase in debtors	(5,353,702)	(805,924)
Increase/(decrease) in creditors	827,152	(6,040,646)
Net cash inflow from operating activities	7,118,874	1,521,706
Returns on investments and servicing of finance		
Interest paid (including payment in kind notes)	(4,370,496)	(4,431,581)
Dividend paid	(1,227,520)	-
Net cash outflow from returns on investments and servicing of finance	(5,598,016)	(4,431,581)
Capital expenditure		
Payments to acquire tangible fixed assets	(2,397,017)	(704,445)
Proceeds from sale of tangible fixed assets	-	3,543
Net cash outflow from capital expenditure	(2,397,017)	(700,902)
Financing		
Draw down under asset finance facility	1,501,000	560,000
Draw down under Junior loan	31,531	-
Draw down under Junior B loan	3,200,909	-
Mortgage	192,500	-
Issue of shares	18	-
Repayment of Senior loan	(3,422,648)	(3,531,820)
Repayment of asset finance facility	(355,000)	-
Repayment of Junior B loan	(219,215)	-
Net cash inflow from financing	929,095	(2,971,820)
Increase in cash	15(a) 52,936	(6,582,597)

Notes to the financial statements

at 31 March 2015

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Going concern

Based on future cash flow projections for 2015/16 and beyond, the directors have a reasonable expectation that the Group has adequate financial resources to continue in business for the foreseeable future. Accordingly, the directors consider that it is appropriate to continue to adopt the going concern in preparing the financial statements.

Group financial statements

The group financial statements consolidate the financial statements of Green Frog Power Limited and its subsidiary undertaking as at 31 March each year. No profit and loss account is presented for Green Frog Power Limited as permitted by section 408 Companies Act 2006. The profit on ordinary activities after taxation dealt with in the financial statements of the parent undertaking was £35,798 (2014 – loss £669,946).

Tangible fixed assets

All fixed assets are initially recorded at cost.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life. The carrying value of tangible fixed assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Useful economic lives of operating plant are estimated to be 40 years for generators and 50 years for electrical installations. IT equipment and other fixtures and fittings have estimated useful economic lives of 5 years.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments in subsidiary companies are carried at cost.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Fuel stock is held at the lower of average cost and net realisable value.

Capitalisation of interest

Interest is capitalised to the extent that it is directly attributable to assets under development. Interest so capitalised is expensed over the useful economic life of the asset to which it relates in accordance with the group's normal depreciation policy.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements

at 31 March 2015

1. Accounting policies (continued)

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the term of the lease.

Capital instruments

Shares are included in shareholders' funds. Other instruments, such as bank loans, are classified as liabilities if they contain an obligation to transfer economic benefits and if they are not included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of bank loans is allocated to periods over the term of the loan in proportion to the balance outstanding. In accordance with FRS 4, issue costs and fees incurred in raising loan finance are deducted from bank loans within the balance sheet and are amortised to the profit and loss account over the term of the loans. Finance costs incurred in raising equity are charged to the share premium account.

2. Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. All turnover arises in the United Kingdom and is attributable to the continuing principal activities of the group.

3. Operating profit

This is stated after charging/(crediting):

		2015 £	2014 £
Auditors' remuneration	– audit services	20,000	20,000
	– taxation compliance	4,000	5,000
		<u>24,000</u>	<u>25,000</u>
Depreciation of owned fixed assets		<u>1,282,361</u>	<u>1,294,848</u>
Operating lease rentals	– land and buildings	326,828	343,500
	– plant and machinery	15,312	7,195
		<u>342,140</u>	<u>350,695</u>

4. Directors' remuneration

	2015 £	2014 £
Remuneration	<u>532,000</u>	<u>1,021,457</u>

Directors' remuneration include £nil (2014 – £450,000) relating to amounts payable for the services of directors, to third parties.

	2015 £	2014 £
Highest paid director	<u>267,000</u>	<u>290,000</u>

Notes to the financial statements

at 31 March 2015

5. Staff costs and directors' remuneration

	2015	2014
	£	£
Wages and salaries	898,020	1,322,914
Social security costs	70,488	103,818
	<u>968,508</u>	<u>1,426,732</u>

The average monthly number of employees (excluding directors) during the year was made up as follows:

	No.	No.
Administration	<u>12</u>	<u>13</u>

6. Interest payable and similar charges

	2015	2014
	£	£
Loan interest payable	4,310,906	4,431,581
Amortisation of loan costs	633,507	633,507
	<u>4,944,413</u>	<u>5,065,088</u>

7. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2015	2014
	£	£
Current tax:		
UK corporation tax on the profit for the year	<u>—</u>	<u>—</u>
Deferred tax:		
Origination and reversal of timing differences	1,107,725	561,259
Effect of changes in tax rate	(46,651)	65,120
Adjustments in respect of prior years	(5,835)	(26,209)
Tax on profit on ordinary activities	<u>1,055,239</u>	<u>600,170</u>

Notes to the financial statements

at 31 March 2015

7. Tax (continued)

(b) Factors affecting current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21% (2014 – 23%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	<u>5,297,540</u>	<u>1,982,473</u>
Tax on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 – 23%)	1,112,660	455,969
<i>Effects of:</i>		
Expenses not deductible for tax purposes	15,723	20,670
Capital allowances in advance of depreciation	(1,152,034)	225,752
Taxable income eliminated on consolidation	–	(115,000)
Tax losses not recognised	–	187,326
Income not taxable for tax purposes	(5,040)	(5,520)
Utilisation of tax losses	<u>28,691</u>	<u>(769,197)</u>
Current tax for the year (note 7(a))	<u>–</u>	<u>–</u>

(c) Deferred tax

Group	2015 £	2014 £
At 1 April	794,199	1,394,369
Profit and loss account – current year	(1,061,075)	(561,259)
– prior year	5,835	(38,911)
At 31 March	<u>(261,041)</u>	<u>794,199</u>

The deferred tax consists of:

	2015 £	2014 £
(Accelerated)/decelerated capital allowances	(458,783)	679,431
Tax losses	<u>197,742</u>	<u>114,768</u>
	<u>(261,041)</u>	<u>794,199</u>

Notes to the financial statements

at 31 March 2015

7. Tax (continued)

(c) Deferred tax (continued)

<i>Company</i>		<i>2015</i>	<i>2014</i>
		<i>£</i>	<i>£</i>
At 1 April		–	(89)
Profit and loss account	– current year	–	89
	– prior year	–	–
At 31 March		<u>–</u>	<u>–</u>

(d) Factors that may affect future tax charges

The main rate of UK corporation tax reduced from 23% to 21% from 1 April 2014. A further reduction in the main rate of corporation tax to 20% from 1st April 2015 was enacted in July 2013, and has been applied in calculating deferred tax at 31 March 2015, based on the expected date the underlying temporary differences will reverse. It should be noted that the Government announced on 8 July 2015 that it intends to introduce legislation to reduce the mainstream rate of UK Corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. These changes were not substantively enacted at the balance sheet date therefore the calculation of deferred tax balances does not reflect the potential impact of these proposed rate reductions.

8. Tangible fixed assets

<i>Group</i>	<i>Capitalised interest</i>	<i>Freehold Property</i>	<i>Plant and machinery</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Cost:				
At 1 April 2014	955,707	–	56,588,766	57,544,473
Additions	–	284,761	2,112,256	2,397,017
At 31 March 2015	<u>955,707</u>	<u>284,761</u>	<u>58,985,783</u>	<u>59,941,490</u>
Depreciation:				
At 1 April 2014	(79,015)	–	(2,035,582)	(2,114,597)
Charge for the year	(24,000)	–	(1,294,361)	(1,318,361)
At 31 March 2015	<u>(103,015)</u>	<u>–</u>	<u>(3,329,943)</u>	<u>(3,432,958)</u>
Net book value:				
At 31 March 2015	<u>852,692</u>	<u>284,761</u>	<u>55,371,079</u>	<u>56,508,532</u>
At 1 April 2014	<u>876,692</u>	<u>–</u>	<u>54,553,184</u>	<u>55,429,876</u>

Notes to the financial statements

at 31 March 2015

8. Tangible fixed assets (continued)

<i>Company</i>	<i>Freehold Property</i>	<i>Plant and machinery</i>	<i>Total</i>
	£	£	£
Cost:			
At 1 April 2014	–	775,207	775,207
Additions	284,761	2,039,965	2,324,726
At 31 March 2015	284,761	2,815,172	3,099,933
Depreciation:			
At 1 April 2014	–	(52,729)	(52,729)
Charge for the year	–	(57,988)	(57,988)
At 31 March 2015	–	(110,717)	(110,717)
Net book value:			
At 31 March 2015	284,761	2,704,455	2,989,216
At 1 April 2014	–	722,478	722,478

9. Investments

<i>Company</i>	<i>2015</i>	<i>2014</i>
	£	£
Investment in Green Frog Power 214 Limited	4,000,000	4,000,000

The company owns the entire share capital of its subsidiary, Green Frog Power 214 Limited, a company registered in England and Wales (registered number 7609301), which operates as a power generation company in the UK.

10. Debtors

	<i>2015</i>	<i>Group 2014</i>	<i>2015</i>	<i>Company 2014</i>
	£	£	£	£
Trade debtors	1,985,748	559,796	1,932,728	539,356
Other debtors	1,287,864	–	1,287,864	–
Prepayments	5,783,633	3,143,747	32,513	217,429
Deferred tax asset (note 7(c))	–	794,199	–	–
Due from related undertakings	–	–	856,695	–
Due from subsidiary undertakings	–	–	–	469,524
	9,057,245	4,497,742	4,109,800	1,226,309

Notes to the financial statements

at 31 March 2015

11. Creditors: amounts falling due within one year

<i>Group</i>	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Trade creditors	1,008,333	1,492,937
Other taxes and social security costs	973,979	487,057
Accruals	1,978,549	1,153,715
Loans – senior debt	3,706,715	3,422,648
Loans – junior debt	89,106	–
Mortgage	15,359	–
Asset finance (note 12)	731,000	330,000
Loan issuance costs (note 12)	(642,551)	(633,507)
	<u>7,860,490</u>	<u>6,252,850</u>
<i>Company</i>	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Trade creditors	37,634	367,850
Other taxes and social security costs	716,695	30,433
Amounts due to subsidiary undertaking	4,042,259	–
Accruals	576,404	341,417
Mortgage	15,359	–
Asset finance	731,000	330,000
Loan issuance costs	(4,285)	–
	<u>6,115,066</u>	<u>1,069,700</u>

Included in accruals is £509,687 due to the directors.

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

<i>Group</i>	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Loans – senior debt	43,993,181	47,699,897
– junior debt	16,000,000	16,000,000
– junior B debt	2,924,119	–
– mortgage	177,141	–
– asset finance	975,000	230,000
Loans issuance costs	(5,323,926)	(5,906,887)
	<u>58,745,515</u>	<u>58,023,010</u>
<i>Company</i>	<i>2015</i>	<i>2014</i>
	<i>£</i>	<i>£</i>
Mortgage	177,141	–
Asset finance	975,000	230,000
Loan issuance costs	(5,715)	–
	<u>1,146,426</u>	<u>230,000</u>

Notes to the financial statements

at 31 March 2015

Creditors: amounts falling due after more than one year (continued)

Bank facilities

	Interest basis	Senior debt	Junior debt	Junior debt B	Asset finance	Mortgage	Total
		£	£	£	£	£	£
	LIBOR +						
Facility – Development	2.3%	47,699,896	–	–	–	–	47,699,896
Facility – Development	12.0% fixed	–	16,031,531	–	–	–	16,031,531
Facility – Development	6.0% fixed	–	–	2,981,694	–	–	2,981,694
Asset finance		–	–	–	1,706,000	–	1,706,000
Mortgage	4.73% fixed	–	–	–	–	192,500	192,500
Total drawn		47,699,896	16,031,531	2,981,694	1,706,000	192,500	68,611,621
Loans issuance costs		(4,469,587)	(1,437,299)	(49,591)	(10,000)	–	(5,966,477)
		<u>43,230,309</u>	<u>14,594,232</u>	<u>2,932,103</u>	<u>1,696,000</u>	<u>192,500</u>	<u>62,645,144</u>

Loans are repayable as shown above and are secured by fixed charges and debentures over the assets to which they relate.

Maturity date	31/03/2024	30/09/2025	31/03/2025	30/06/2017	19/03/2025	
	£	£	£	£	£	£
Within one year	3,706,715	31,530	57,575	731,000	15,359	4,542,179
In one to two years	3,943,704	373,020	103,849	525,000	16,455	4,962,028
In two to five years	14,177,649	1,912,159	376,222	450,000	54,110	16,970,140
Over five years	25,871,828	13,714,822	2,444,048	–	106,576	42,137,274
	<u>47,699,896</u>	<u>16,031,531</u>	<u>2,981,694</u>	<u>1,706,000</u>	<u>192,500</u>	<u>68,611,621</u>

Loan issuance costs are amortised evenly over the life of the loans to which they relate. An aged analysis of the issuance cost prepayment is shown below:

	£	£	£	£	£	£
Within one year	496,621	136,886	4,759	4,285	–	642,551
In one to two years	496,621	136,886	4,759	3,077	–	641,343
In two to five years	1,489,862	410,657	14,277	2,638	–	1,917,434
Over five years	1,986,483	752,870	25,796	–	–	2,765,149
	<u>4,469,587</u>	<u>1,437,299</u>	<u>49,591</u>	<u>10,000</u>	<u>–</u>	<u>5,966,477</u>

Notes to the financial statements

at 31 March 2015

12. Creditors: amounts falling due after more than one year (continued)

Derivative contracts

The group has entered into a fixed rate interest rate swap on which it pays 2.87% per annum and receives 6 month LIBOR based on a notional amount of £35,774,922 at the year-end (2014 - £38,341,908). The notional amount reduces throughout the life of the senior loan. At the year-end the fair value of this swap was £2,646,175 net liability (2014 - £1,057,371 net liability). The group has entered into an RPI swap on a notional amount of £4,991,834, on which it receives 3.13% per annum fixed return and pays the change in RPI since 2010. The fair value of the RPI swap was £906,857 net asset at the year-end (2014 - £1,224,868 net liability).

13. Issued share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2015</i>	<i>No.</i>	<i>2014</i>
		<i>£</i>		<i>£</i>
Ordinary shares of 0.01p each	1,441,586	<u>1,458</u>	1,439,786	<u>1,440</u>

During the year 18 new shares were issued as part of a director's performance related remuneration package.

14. Reconciliation of shareholders' funds and movements on reserves

<i>Group</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total share-holders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 April 2013	1,440	4,489,559	(5,286,473)	(795,474)
Profit for the year	–	–	1,382,303	1,382,303
At 1 April 2014	1,440	4,489,559	(3,904,170)	586,829
Issue of share capital	18	–	–	18
Profit for the year	–	–	4,242,301	4,242,301
Dividend	–	–	(1,227,520)	(1,227,520)
At 31 March 2015	<u>1,458</u>	<u>4,489,559</u>	<u>(889,389)</u>	<u>3,601,628</u>

<i>Company</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Profit and loss account</i>	<i>Total share-holders' funds</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
At 1 April 2013	1,440	4,489,559	1,861,668	6,352,667
Loss for the year	–	–	(669,946)	(669,946)
At 1 April 2014	1,440	4,489,559	1,191,722	5,682,721
Issue of share capital	18	–	–	18
Profit for the year	–	–	35,798	35,798
Dividend	–	–	(1,227,520)	(1,227,520)
At 31 March 2015	<u>1,458</u>	<u>4,489,559</u>	<u>–</u>	<u>4,491,017</u>

Notes to the financial statements

at 31 March 2015

15. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2015	2014
	£	£
Increase in cash	52,936	(6,582,597)
Cash flow from increase in loans and facilities	(4,925,940)	(560,000)
Repayment of loans	3,996,864	3,531,820
Change in net debt resulting from cash flows	(876,140)	(3,610,777)
Amortisation of loan issue costs	(573,917)	(633,507)
Net debt 1 April	(56,573,367)	(52,329,083)
Net debt 31 March	(58,023,424)	(56,573,367)

(b) Analysis of net debt

	At 1 April 2014	Cash flow	Non-cash changes	At 31 March 2015
	£	£	£	£
Cash at bank and in hand	4,568,784	52,936	–	4,621,720
Bank loans and facilities	(67,682,545)	(929,076)	–	(68,611,621)
Loan issuance costs	6,540,394	–	(573,917)	5,966,477
Net debt	(56,573,367)	(876,140)	(573,917)	(58,023,424)

16. Capital commitments

At the year end the group had capital commitments of £Nil (2014 – £nil).

17. Other financial commitments

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as set out below:

	2015		2014	
	Plant and machinery	Land and buildings	Plant and machinery	Land and buildings
	£	£	£	£
Operating leases which expire:				
Within one year	24,636	9,000	22,289	29,000
In two to five years	–	–	33,297	–
Over five years	–	314,001	–	314,001
		323,001	55,586	343,001

Notes to the financial statements

at 31 March 2015

18. Related party transactions

European Investments (GFP) Limited, a company owned by Infrared Capital Partners (Management) LLP, has provided the group with a loan facility of £19,013,224 (2014-£16,000,000). During the year the Group paid interest of £2,022,829 (2014-£1,935,780).

19. Ultimate parent undertaking and controlling party

The directors consider the ultimate controlling party to be InfraRed Capital Partners (Management) LLP which is the parent undertaking of the group in which the general partner of each of the several partnerships constituting InfraRed Environmental Infrastructure Fund exists.