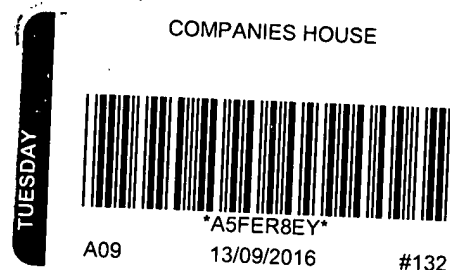


Company Registration No. 07431004 (England and Wales)

BILSTHORPE WIND FARM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



BILSTHORPE WIND FARM LIMITED

COMPANY INFORMATION

Directors	J M Linney D M Hardy	(Appointed 27 January 2015)
Secretary	T S Hedges	
Company number	07431004	
Registered office	1 Kingway London WC2B 6AN	
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor London United Kingdom	
Bankers	HSBC Bank PLC 8 Canada Square London E14 5HQ	

BILSTHORPE WIND FARM LIMITED

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BILSTHORPE WIND FARM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

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

The directors' report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal activities

The principal activity of the Company is the design, build, financing and operation of a wind farm consisting of 5 x 2MW turbines in Nottinghamshire.

Financial Close was achieved on 13 August 2012. The concession period is 25 years. The wind farm became fully operational in June 2013.

Directors

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

J M Linney	(Appointed 27 January 2015)
R McArthur	(Resigned 27 January 2015)
D M Hardy	

Results and dividends

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

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

Directors' insurance

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

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. At the start of the project, the Company negotiated debt facilities with an external party to ensure that the Company has sufficient funds over the life of the project. Following the refinancing of the project on 16 March 2016 the Company's debt facilities are now all with JLEAG Wind Limited.

Interest rate risk

The Company's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Company currently uses interest rate derivatives to manage the risk and reduce its exposure to changes in interest rates. Following the refinancing of the project on 16 March 2016, the Company's borrowings have limited exposure as all borrowings are fixed interest loans.

BILSTHORPE WIND FARM LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

Exposure to market prices

The Company is exposed to long term electricity market prices. We are currently monitoring the electricity market and a 15 year Purchase Power Agreement has been entered into, effective from the start of commercial operations.

Credit Risk

The Company's principal financial assets are cash, financial assets and trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables and accrued income which are with one counterparty. The Company monitors the financial standing of that counterparty in order to manage its credit risk.

Wind / energy yield risk

The Company has engaged consultants to assess long term wind predictions and consequent energy yield for the given turbines. However, there still remains a risk that wind and energy yield may be less (or more) than modelled. The project was refinanced on 16 March 2016 via its holding company on an assumption that realistic downsides would not materially jeopardise the project. The Company will continue to monitor performance against the modelled plan.

Post reporting date events

On 16 March 2016, JLEAG Wind Limited acquired the Company from Bilsthorpe Wind Farm Holdings Limited and on the same day issued a loan to the Company to allow it to repay the full amount of its outstanding funder debt.

Future developments

The directors are not aware, at the date of this report, of any major changes in the Company's activities in the next year.

Auditor

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

Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



D M Hardy
Director

2 September 2016

BILSTHORPE WIND FARM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

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. 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.

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.

BILSTHORPE WIND FARM LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BILSTHORPE WIND FARM LIMITED

We have audited the financial statements of Bilsthorpe Wind Farm Limited for the year ended 31 December 2015 which comprise the Statement of Total Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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, 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 Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

BILSTHORPE WIND FARM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BILSTHORPE WIND FARM 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, 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.



2 September 2016

Simon Grant (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London

United Kingdom

BILSTHORPE WIND FARM LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	3	2,157,220	1,911,888
Cost of sales		(404,189)	(446,393)
Gross profit		1,753,031	1,465,495
Administrative expenses		(740,154)	(799,155)
Other operating income		-	136,060
Operating profit	4	1,012,877	802,400
Interest receivable and similar income	7	-	2,408
Interest payable and similar charges	8	(871,453)	(1,473,498)
Other gains and losses	9	-	(96,813)
Profit/(loss) on ordinary activities before taxation		141,424	(765,503)
Taxation	10	(110,736)	228,956
Profit/(loss) for the financial year		30,688	(536,547)
Total comprehensive income/(loss) for the year		30,688	(536,547)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There were no recognised gains or losses during the current or prior years other than the profit/(loss) shown above. Accordingly, no separate statement of comprehensive income has been presented.

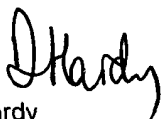
BILSTHORPE WIND FARM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	11	15,248,284		15,904,860	
Current assets					
Debtors falling due after one year	12	247,572		358,308	
Debtors falling due within one year	12	592,053		489,448	
Cash at bank and in hand		230,971		104,370	
		<u>1,070,596</u>		<u>952,126</u>	
Creditors: amounts falling due within one year	14	<u>(921,272)</u>		<u>(1,069,783)</u>	
Net current assets/(liabilities)			149,324		(117,657)
Total assets less current liabilities			<u>15,397,608</u>		<u>15,787,203</u>
Creditors: amounts falling due after more than one year	15		(11,482,251)		(11,896,458)
Provisions for liabilities	16		(295,976)		(302,052)
Net assets			<u><u>3,619,381</u></u>		<u><u>3,588,693</u></u>
Capital and reserves					
Called up share capital	18	4,132,309		4,132,309	
Profit and loss reserves	18	(512,928)		(543,616)	
Total equity			<u><u>3,619,381</u></u>		<u><u>3,588,693</u></u>

The financial statements were approved by the board of directors and authorised for issue on 2 September 2016 and are signed on its behalf by:



D M Hardy
Director

Company Registration No. 07431004

BILSTHORPE WIND FARM LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 31 December 2013 as previously stated		1,000	(247,751)	(246,751)
Effect of transition to FRS 102	23	-	240,682	240,682
Balance at 1 January 2014 as restated		1,000	(7,069)	(6,069)
Period ended 31 December 2014:				
Loss and total comprehensive loss for the year		-	(536,547)	(536,547)
Conversion of loan to shares	18	3,913,138	-	3,913,138
Conversion of accrued interest to shares		218,171	-	218,171
Balance at 31 December 2014		4,132,309	(543,616)	3,588,693
Period ended 31 December 2015:				
Profit and total comprehensive income for the year		-	30,688	30,688
Balance at 31 December 2015		4,132,309	(512,928)	3,619,381

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Bilsthorpe Wind Farm Limited is a limited company domiciled and incorporated in England and Wales. The registered office is 1 Kingsway, London, WC2B 6AN.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include certain financial instruments at fair value, and in accordance with FRS 102. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Bilsthorpe Wind Farm Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 23.

The Company is consolidated within the group accounts of Bilsthorpe Wind Farm Holdings Limited. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the Cash Flow Statement and related notes.

The Company is also considered to be a qualifying entity for the disclosure exemptions relating to the requirements of Section 11 paragraphs 11.39 to 11.48A as the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the Company is consolidated.

1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.4 Tangible fixed assets

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

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

Plant and equipment	25 years
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BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

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

1.5 Impairment of fixed assets

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

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

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

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

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial assets

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.8 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

1.9 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Hedge accounting

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

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

Cash flow hedges

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

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

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

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.11 Provisions

Decommissioning

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

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

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

Other

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

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

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

1.12 Leases

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

1.13 Foreign exchange

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

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, 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.

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

Critical judgements

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

Power Purchase Agreement

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

Deferred tax asset

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

Key sources of estimation uncertainty

Recoverability of tangible fixed assets

During the year, management reconsidered the recoverability of the tangible fixed assets included in the balance sheet of £15,248,284. The project continues to perform in a satisfactory manner, however, due to a reduction in expected future floating power prices received and historical performance against budget, management has reconsidered the power price and generation assumptions reflected in its long-term projections. Detailed sensitivity analysis has been carried out and management is confident that the carrying amount of the tangible fixed assets will be recovered in full through use. This situation will be closely monitored, and adjustments made in future periods if future market activity indicates that adjustments are appropriate.

Decommissioning provision

The Company has a decommissioning provision resulting from its obligation at the end of the lease period to return the wind farm site to its original state and condition. The calculation used to estimate the future expected cost of decommissioning the site is based on a historic estimate of per turbine costs plus anticipated fixed cost overheads provided by a qualified third party consultant, discounted back to present value at a suitable discount rate. The net present value of the provision at the balance sheet date was £295,976. Details of the provision are set out in Note 16. The directors will continue to monitor market prices for decommissioning works for indications of material changes to the assumptions underlying the decommissioning provision calculation.

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

3 Turnover

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

	2015 £	2014 £
Turnover		
Power Purchase Agreement revenue	1,165,719	1,015,819
Renewable Obligation Certificate	918,106	805,993
Levy Exemption Certificate	63,414	90,076
Other income	9,981	-
	<u>2,157,220</u>	<u>1,911,888</u>
 Other significant revenue		
Delay damages	-	136,060
	<u>-</u>	<u>136,060</u>

Turnover analysed by geographical market

	2015 £	2014 £
United Kingdom	<u>2,157,220</u>	<u>1,911,888</u>

Turnover is derived from the sale of electricity produced in the United Kingdom and the sale of renewable energy certificates to a sole third party energy supplier in Germany. Turnover is recognised at the point of generation.

Other income comprises Triad revenue generated during the three half-hours of peak electricity demand between the beginning of November in the previous financial year and the end of February in the current financial year. Due the nature of the income, Triad revenue is recognised in the period the income is received.

Take over of the wind farm was contracted for 13 June 2013, however was only achieved on 19 July 2013, a delay of 36 days. As a result of this delay the project applied for delay damages from the contractors Servion. These were not recognised in 2013 as there was no certainty regarding the amount or timing of the delay claim.

4 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	6	-
Fees payable to the Company's auditors for the audit of the Company and the Company's parent company	12,575	10,376
Depreciation of owned tangible fixed assets	643,269	649,085
Operating lease charges	<u>49,163</u>	<u>49,256</u>

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

5 Employees

The Company had no employees during the current or prior year.

6 Directors' remuneration

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

7	Interest receivable and similar income	2015 £	2014 £
	Interest income		
	Interest on bank deposits	-	2,408
		<u>-</u>	<u>2,408</u>
8	Interest payable and similar charges	2015 £	2014 £
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	-	128,197
	Interest payable to group undertakings	864,222	888,782
	Amortised debt issue costs	-	455,368
		<u>864,222</u>	<u>1,472,347</u>
	Other finance costs:		
	Unwinding of discount on provisions	7,231	1,151
		<u>7,231</u>	<u>1,151</u>
	Total finance costs	<u>871,453</u>	<u>1,473,498</u>
9	Other gains and losses	2015 £	2014 £
	Fair value losses on financial instruments		
	Loss on hedge item in a fair value hedge	-	(96,813)
		<u>-</u>	<u>(96,813)</u>

On 3 April 2014, following the sale of the share in the parent company, the interest rate swap was broken.

10 Taxation

	2015 £	2014 £
Deferred tax		
Origination and reversal of timing differences	148,702	183,484
Changes in tax rates	26,975	10,492
Adjustment in respect of prior periods	40,632	(89,067)
Tax losses carried forward	(105,573)	(333,865)
	<u>110,736</u>	<u>(228,956)</u>
Total deferred tax	<u>110,736</u>	<u>(228,956)</u>

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

10 Taxation

(Continued)

The difference between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows:

	2015 £	2014 £
Profit/(loss) before taxation	141,424	(765,503)
Expected tax charge based on a corporation tax rate of 20.25%	28,638	(164,583)
Tax effect of expenses that are not deductible in determining taxable profit	14,490	14,203
Adjustments in respect of prior years	40,632	(89,067)
Effect of change in corporation tax rate	26,976	10,491
Tax expense for the year	110,736	(228,956)

For the year ended 31 December 2015, the blended UK rate of 20.25% is applied due to the change in the UK corporation tax rate from 21% to 20% with effect from 1 April 2015.

In the Summer Finance Bill 2015, which was substantively enacted on 26 October 2015, it was announced that the main rate of corporation tax for UK companies would reduce to 19% from 1 April 2017, and then reduce further to 18% from 1 April 2020. The reduced rate of 18% has therefore been reflected in the calculation of deferred tax at the balance sheet date.

11 Tangible fixed assets

Plant and equipment

	£
Cost	
At 1 January 2015	16,805,309
Other changes	(13,307)
At 31 December 2015	16,792,002
Depreciation and impairment	
At 1 January 2015	900,449
Depreciation charged in the year	643,269
At 31 December 2015	1,543,718
Carrying amount	
At 31 December 2015	15,248,284
At 31 December 2014	15,904,860

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Tangible fixed assets

(Continued)

Following a review of the discount rate applied to the decommissioning provision at 31 December 2015, an adjustment of £13,307 has been included in other changes within the carrying value of tangible fixed assets.

12 Debtors

	Notes	2015 £	2014 £
Amounts falling due within one year:			
Other debtors		13,013	21,688
Prepayments and accrued income		579,040	467,760
		<u>592,053</u>	<u>489,448</u>
Amounts falling due after one year:			
Deferred tax asset	17	<u>247,572</u>	<u>358,308</u>
Total debtors		<u>839,625</u>	<u>847,756</u>

For details of the movement in deferred tax refer to Note 17.

13 Loans and overdrafts

	2015 £	2014 £
Loans from parent undertaking	11,970,854	12,529,065
Loans from related parties	177,196	-
	<u>12,148,050</u>	<u>12,529,065</u>
Payable within one year	665,799	632,607
Payable after one year	<u>11,482,251</u>	<u>11,896,458</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>5,826,931</u>	<u>7,319,265</u>

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

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

13 Loans and overdrafts

(Continued)

Principal loan

On 3 April 2014 the Company entered into a Principal Loan Agreement with the its shareholder, John Laing Environmental Assets Group (UK) Limited, for the amount of £9,785,495, which is repayable in instalments by 31 March 2026. Interest is charged at a fixed rate of 5.51%, stepping up to 5.61% on 1 April 2018.

Subordinated Debt

The Company also has a £8,052,432 unsecured subordinated debt fixed rate loan facility bearing an interest rate of 11% per annum. The loan is repayable in instalments by 11 June 2038.

On 16 March 2016, the Company repaid both the principal loan and the subordinated loan in full as part of the sale to JLEAG Wind Limited. New loans were issued by JLEAG Wind Limited on the same day.

14 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Loans and overdrafts	13	665,799	632,607
Trade creditors		5,519	18,521
Amount due to parent undertaking		95,240	266,234
Other creditors		39,241	39,241
Accruals and deferred income		115,473	113,180
		<u>921,272</u>	<u>1,069,783</u>

Amount due to parent undertaking

The amount due to parent undertaking comprises accrued interest outstanding on the subordinated debt (see Note 13).

15 Creditors: amounts falling due after more than one year

	Notes	2015 £	2014 £
Loans and overdrafts	13	<u>11,482,251</u>	<u>11,896,458</u>

16 Provisions for liabilities

	2015 £	2014 £
Decommissioning provision	<u>295,976</u>	<u>302,052</u>

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

(Continued)

16 Provisions for liabilities

Movements on provisions:

	Decommissioning provision
	£
At 1 January 2015	302,052
Unwinding of discount	7,231
Adjustment for change in discount rate	(13,307)
At 31 December 2015	<u>295,976</u>

The Company's decommissioning provision results from its obligation at the end of the lease period to return the wind farm site to its original state and condition. The Company has estimated the net present value of the decommissioning provision to be £295,976 as at 31 December 2015 (2014 – £302,052) based on an undiscounted total future liability of £520,467 (2014 - £520,467). The discount factor, being the risk free rate related to the liability, was 2.60% as at 31 December 2015 (2014 – 2.39%).

17 Deferred taxation

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

	Assets 2015 £	Assets 2014 £
Balances:		
Accelerated capital allowances	(551,596)	(410,498)
Tax Losses	799,168	768,806
	<u>247,572</u>	<u>358,308</u>
		2015
Movements in the year:		£
(Asset) at 1 January 2015		(358,308)
Charge to profit or loss		83,761
Effect of change in tax rate - profit or loss		26,975
(Asset) at 31 December 2015		<u>(247,572)</u>

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

17 Deferred taxation

(Continued)

The deferred tax asset in relation to tax losses set out above is expected to reverse after more than five years and relates to the utilisation of tax losses against future expected profits over the project life.

The deferred tax asset in relation to the interest rate swap liability is expected to affect profit or loss over the period to maturity of the interest rate swap.

18 Share capital and other reserves

	2015 £	2014 £
Ordinary share capital		
Issued and fully paid		
4,132,309 Ordinary shares of £1 each	4,132,309	4,132,309

On 3 April 2014, following the sale of the shares in the parent company, a capital restructure took place whereby £3,913,138 of loan notes and £218,171 of accrued interest were converted to share capital at par.

Other Reserves

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses.

19 Operating lease commitments

Lessee

The Company has entered into lease agreements with land owners expiring on 21 October 2041 such that the rent payable is contingent on certain conditions relating to gross income received by the Company.

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

	2015 £	2014 £
Within one year	880	880
Between two and five years	3,520	3,520
In over five years	18,333	19,213
	<u>22,733</u>	<u>23,613</u>

20 Events after the reporting date

On 16 March 2016, JLEAG Wind Limited acquired the Company from Bilsthorpe Wind Farm Holdings Limited and on the same day issued a loan to the Company to allow it to repay the full amount of its outstanding funder debt.

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

21 Related party transactions

No guarantees have been given or received.

As a wholly owned subsidiary of John Laing Environmental Assets Group Limited, the Company has taken advantage of the exemption under FRS 102 section 33 not to provide information on related party transactions with other undertakings within the John Laing Environmental Assets Group Limited Group. Note 22 gives details of how to obtain a copy of the published financial statements of John Laing Environmental Assets Group Limited.

22 Controlling party

The Company's ultimate parent and controlling entity is John Laing Environmental Assets Group Limited, a company incorporated in Guernsey, Channel Islands.

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

The Company's immediate parent company at the balance sheet date was Bilsthorpe Wind Farm (Holdings) Limited, a company incorporated in Great Britain. The smallest and largest group in which its results are consolidated is Bilsthorpe Wind Farm (Holdings) Limited. Copies of the consolidated accounts of Bilsthorpe Wind Farm (Holdings) Limited are available from Companies House. On 16 March 2016 Bilsthorpe Wind Farm (Holdings) Limited sold its shares in Bilsthorpe Wind Farm Limited to JLEAG Wind Limited, a company incorporated in Great Britain.

23 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 Jan 2014 £	At 31 Dec 2014 £
Equity as reported under previous UK GAAP		(246,751)	3,588,693
Interest rate swap fair value	23.1	300,853	-
Deferred tax on interest rate swap	23.2	(60,171)	-
Equity reported under FRS 102		<u>(6,069)</u>	<u>3,588,693</u>

Reconciliation of profit or loss

	Notes	2014 £
Profit or loss as reported under previous UK GAAP		(295,865)
Interest rate swap fair value	23.1	(300,853)
Deferred tax on interest rate swap	23.2	60,171
Profit or loss reported under FRS 102		<u>(536,547)</u>

BILSTHORPE WIND FARM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

23 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

This is the first year that the Company has presented its financial statements under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and therefore the prior year comparatives in these financial statements have been restated from the date of transition to FRS 102 on 1 January 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard, the most notable being the adoption of FRS 102 section 11 (Basic Financial Instruments) and section 12 (Other financial instruments) which has resulted in the recognition and additional disclosures of derivative financial instruments held by the Company as well as the deferred tax impact. Listed below are the notes to the reconciliation of equity at 1 January 2014 and 31 December 2014.

Note 23.1 - Fair value of interest rate swap

Under previous UK GAAP the fair value of the interest rate swap was disclosed in the notes to the financial statements. Under FRS 102 the Company is required to recognise the fair value of derivative financial instruments on the balance sheet. In the table above recognition of the fair value of the interest rate swap reflects a liability on the balance sheet at 1 January 2014. The swap was broken on 3 April 2014 and all fair value movements from 1 January 2014 to 3 April 2014 were recognised through the profit and loss.

Note 23.2 - Deferred tax

Under previous UK GAAP there was no requirement to recognise or disclose deferred tax relating to financial instruments. As stated in Note 1 the fair value of financial instruments were just disclosed in a note to the financial statements. Under FRS 102, the Company is required to recognise deferred tax on all fair value movements. Consequently, a deferred tax asset arises on recognition of the fair value of the interest rate swap on 1 January 2014. The swap was broken on 3 April 2014 and all fair value movements from 1 January 2014 to 3 April 2014 were recognised through the profit and loss.