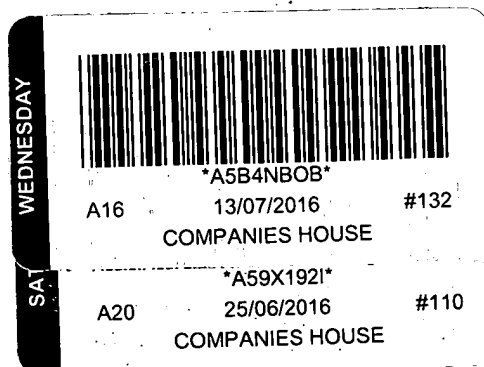


Registration number: 06707821

GLID Wind Farms TopCo Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2015



GLID Wind Farms TopCo Limited

Contents

	Pages
Strategic Report	1 to 2
Directors' Report	3 to 6
Independent Auditors' Report	7 to 8
Consolidated Income Statement and Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Company Statement of Financial Position	11
Consolidated and Company Statements of Changes in Equity	12
Consolidated and Company Statement of Cash Flows	13 to 14
Notes to the Financial Statements	15 to 48

GLID Wind Farms TopCo Limited

Strategic Report for the Year Ended 31 December 2015

The Directors present their Strategic Report of GLID Wind Farms TopCo Limited ("the Company") for the Group for the year ended 31 December 2015.

Review of the business

The GLID Wind Farms TopCo's Group ("the Group") financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The Group's transition date to IFRS was 1 January 2014 and comparatives have been restated accordingly. For details of the transition to IFRS and the effect of the change on the Group's financial position, see notes 2 and 28.

The subsidiary companies' wind farms (Lynn Wind Farm Limited, Inner Dowsing Wind Farm Limited and Glens of Foudland Wind Farm Limited) operated satisfactorily during the year. Generation was slightly above plan whilst revenues were below expectations due to power prices and the Recycle Benefit from the Renewable Obligation Certificates ("ROCs") together with the impact of the loss of Levy Exemption Certificates ("LECs"). From 1 August 2015 LECs are no longer being issued and it is no longer possible to secure an exemption from the Climate Change Levy if associated with supplies of renewable source energy.

On 7 March 2016 each of GLID Limited and Boreas Holdings S.à.r.l. agreed to sell their respective 50% shareholding in the Company to UK Green Investment LID Limited (60.8% holding), RI Income UK Holdings Limited (34.3% holding) and RI EU Holdings (UK) Limited (4.9% holding). As part of the transaction the Company was granted an option to purchase the Grimsby operational base. On the same day immediately after the change of ownership GLID Wind Farms TopCo Limited agreed to sell its 100% investment in Glens of Foudland Limited to RI Income UK Holdings Limited (notes 25 and 27).

Principal risks and uncertainties

The GLID Wind Farms TopCo Group's principal risk which is a known feature of wind farms is revenue uncertainty. Revenue is dependent on wind speeds and the related power curve which together impact the potential revenue of the wind farm. The availability is driven by the technical performance of the wind turbines and ancillary equipment, and the physical access to the wind farms. The power generated is sold under power purchase agreements and the power price was dependent on market pricing subject to a cap and floor in respect of 75% of the generation. ROCs and LECs (until 31st July 2015) awarded based on production have an annual price published by OFGEM which is indexed from 1 April each year. Revenue uncertainty impacts the Group's cash flow and as such the ability to make loan repayments and to make distributions when appropriate.

Key performance indicators (KPIs)

The Directors formally convene monthly board meetings. The board meetings' standing agenda items provide a review of key performance metrics covering health, safety and the environment, operations and maintenance activity and financial performance.

The following KPIs are monitored in the monthly financial reports: generation, availability, load factor, revenue £/MWh and opex £/MWh.

To create the maximum renewable energy the Company monitors the effectiveness and efficiency of the wind farms on a regular basis and endeavours to achieve a high level of availability.

GLID Wind Farms TopCo Limited

Strategic Report for the Year Ended 31 December 2015 (continued)

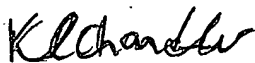
Financial position

The financial position of the Group and Company are presented in the Statement of Financial Position on pages 10 and 11. Total shareholders' funds for the Group at 31 December 2015 were £31,345,000 (2014: £34,835,000) and for the Company were £36,895,000 (2014: £42,039,000).

Future developments

On 7 March 2016 the Company agreed to sell its 100% investment in Glens of Foudland Limited to RI Income UK Holdings Limited. There are no further plans to change the nature of activities in the foreseeable future.

Approved by the Board on 14 June 2016 and signed by order of the board.



.....
Karen Chandler
Company secretary

Company Secretary

Company registered in England and Wales, No. 06707821
Registered office:
Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

GLID Wind Farms TopCo Limited

Directors' Report for the Year Ended 31 December 2015

The Directors present their report and the audited consolidated Financial Statements for the year ended 31 December 2015.

Directors of the Company

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J-D Borgeaud (resigned 7 March 2016)

S Hayden (resigned 7 March 2016)

R Marsden (resigned 7 March 2016)

R McCord (resigned 7 March 2016)

W Mouawad (resigned 7 March 2016)

S Redfern (resigned 7 March 2016)

R Tyreman (resigned 1 June 2015)

The following directors were appointed after the year end:

P Raftery (appointed 7 March 2016)

C Reid (appointed 7 March 2016)

K Smith (appointed 7 March 2016)

A Ulens (appointed 7 March 2016)

Principal activity

The principal activity of the Company and its subsidiaries ("the Group") is the operation of the Lynn, Inner Dowsing and Glens of Foudland wind farms.

Results and Dividends

The results of the Group are set out on page 9. The consolidated loss for the financial year was £6,180,000 (2014: £15,557,000). The consolidated loss on ordinary activities before income tax for the year was £8,494,000 (2014: £18,005,000). The Directors propose a final dividend of £7,500,000 for the year ended 31 December 2015 (2014: £nil). The dividend will be paid on 15 June 2016.

GLID Wind Farms TopCo Limited

Directors' Report for the Year Ended 31 December 2015 (continued)

Financial instruments

Objectives and policies

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed. Exposure to counterparty credit risk, foreign currency risk on contracts and liquidity risk arises in the normal course of the Company's business.

Price risk, credit risk, liquidity risk and cash flow risk

- Until 7 March 2016 the Group was project financed via a bank syndicate, the facilities of which were subject to a Loan Facility Agreement ("LFA") to which GLID Wind Farms TopCo Limited was an Obligor and Guarantor.
- The Group was subject to certain ratio and covenant tests at June and December each year as well as needing to comply with other obligations in the LFA.
- In order to review available liquidity and early indication of any issues in respect of the LFA covenant compliance, cash forecasts for the Group are produced and reviewed regularly.
- Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits governed by the LFA. Credit risk is limited to exposures with British Gas Trading Limited, a related Centrica group company, GDF Suez and NFPAS Limited.
- In respect of electricity price risk, the Group has entered into power purchase agreements ("PPAs") with British Gas Trading Limited to sell power until September 2024, with the power prices based on market prices subject to a cap and floor in respect of 75% of generation.
- In order to generate the maximum renewable energy the Group monitors the effectiveness and efficiency of the wind farms on a regular basis and endeavours to achieve a high level of availability. For 2015 the wind farms availability, being the proportion of time that the wind turbines were not offline for maintenance and were able to operate, was broadly in-line with management expectations.

Future developments

Future developments are discussed in the Strategic Report on page 1.

Non adjusting events after the financial period

Non adjusting events after the financial period are detailed in note 27 of the financial statements.

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate. The Board of Directors have concluded this is appropriate based on the approved Business Plan for 2016 and the financial projections prepared in connection with the acquisition of the Group and this view is maintained based on actual results in 2016 to the date of signing the statutory financial statements.

Directors liabilities

GLID Wind Farms TopCo Limited is jointly controlled and the Directors of the Company are nominated by the joint venture partners. The Directors are covered by their respective ultimate parent company's directors' and officers' liability insurance. The insurances do not provide cover in the event that the Director is proved to have acted fraudulently or unlawfully.

GLID Wind Farms TopCo Limited

Directors' Report for the Year Ended 31 December 2015 (continued)

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 prepared the Group and Parent Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. 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 Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 Company and the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditors

Each of the Directors who held office at the date of approval of this Directors' Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

GLID Wind Farms TopCo Limited

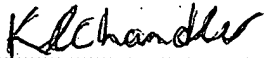
Directors' Report for the Year Ended 31 December 2015 (continued)

Statement of Directors' Responsibilities (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

The Directors' report was approved by the Board on 14 June 2016.



.....
Karen Chandler
Company secretary

Company Secretary

Company registered in England and Wales, No. 06707821

Registered office:

Eversheds LLP

70 Great Bridgewater Street

Manchester

M1 5ES

GLID Wind Farms TopCo Limited

Independent Auditors' Report to the Members of GLID Wind Farms TopCo Limited

Report on the financial statements

Our opinion

In our opinion,

- GLID Wind Farms TopCo Limited's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2015 and of the Group's loss and the Group's and the Company's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company Statements of Financial Position as at 31 December 2015;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the year then ended;
- the Consolidated and Company Statements of Cash Flows for the year then ended;
- the Consolidated and Company Statements of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

GLID Wind Farms TopCo Limited

Independent Auditors' Report to the Members of GLID Wind Farms TopCo Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the auditors

As explained more fully in the Statement of Directors' Responsibilities 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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 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.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Katherine Stent (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP

23 Forbury Road
Reading
RG1 3JH

15 June 2016

GLID Wind Farms TopCo Limited

Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015

Consolidated Income Statement for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Revenue	4	71,486	63,550
Cost of sales	5	<u>(32,477)</u>	<u>(31,427)</u>
Gross profit		39,009	32,123
Administrative expenses		<u>(19,503)</u>	<u>(22,700)</u>
Operating profit		19,506	9,423
Finance income	7	144	127
Finance cost	7	<u>(28,144)</u>	<u>(27,555)</u>
Loss before income tax		(8,494)	(18,005)
Income tax credit	10	<u>2,314</u>	<u>2,448</u>
Loss for the financial year		<u>(6,180)</u>	<u>(15,557)</u>

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the parent company Income Statement. The loss for the parent company for the year was £7,834,000 (2014: loss of £3,255,000).

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2015

	2015 £ 000	2014 £ 000
Loss for the financial year	(6,180)	(15,557)
Items that may be reclassified subsequently to profit or loss		
Profit/(loss) on cash flow hedges (net)	3,614	(2,608)
Income tax effect on cash flow hedges	<u>(924)</u>	<u>522</u>
	<u>2,690</u>	<u>(2,086)</u>
Total comprehensive expense for the year	<u>(3,490)</u>	<u>(17,643)</u>

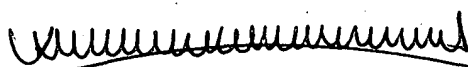
The notes on pages 15 to 48 form an integral part of these financial statements.

GLID Wind Farms TopCo Limited

Consolidated Statement of Financial Position as at 31 December 2015

	Note	Group 2015 £ 000	Group 2014 £ 000	Group 2013 £ 000
Non-current assets				
Property, plant and equipment	11	<u>332,453</u>	<u>365,199</u>	<u>392,891</u>
Total non-current assets		<u>332,453</u>	<u>365,199</u>	<u>392,891</u>
Current assets				
Trade and other receivables	13	49,898	43,003	44,408
Inventories	14	1,503	753	-
Current tax assets	10	-	242	-
Cash and cash equivalents		<u>16,057</u>	<u>9,978</u>	<u>14,359</u>
Total current assets		<u>67,458</u>	<u>53,976</u>	<u>58,767</u>
Total assets		<u>399,911</u>	<u>419,175</u>	<u>451,658</u>
Non-current liabilities				
Deferred tax liabilities	16	(18,578)	(20,211)	(22,936)
Derivative financial instruments	22	(10,065)	(13,679)	(11,071)
Provisions for other liabilities and charges	17	(12,539)	(18,049)	(22,959)
Borrowings	18	<u>(251,601)</u>	<u>(270,821)</u>	<u>(288,627)</u>
Total non-current liabilities		<u>(292,783)</u>	<u>(322,760)</u>	<u>(345,593)</u>
Current liabilities				
Trade and other payables	15	(51,613)	(36,934)	(31,327)
Borrowings	18	<u>(24,170)</u>	<u>(24,646)</u>	<u>(22,260)</u>
Total current liabilities		<u>(75,783)</u>	<u>(61,580)</u>	<u>(53,587)</u>
Total liabilities		<u>(368,566)</u>	<u>(384,340)</u>	<u>(399,180)</u>
Net assets		<u>31,345</u>	<u>34,835</u>	<u>52,478</u>
Equity				
Called up share capital	19	500	500	500
Cash flow hedging reserve		(8,253)	(10,943)	(8,857)
Retained earnings		<u>39,098</u>	<u>45,278</u>	<u>60,835</u>
Total shareholder funds		<u>31,345</u>	<u>34,835</u>	<u>52,478</u>

The financial statements on pages 9 to 48 were approved and authorised for issue by the Board of Directors on 14 June 2016 and signed on its behalf by:


 ALEXIS ULEN
 Director
 Company number 06707821

The notes on pages 15 to 48 form an integral part of these financial statements.

GLID Wind Farms TopCo Limited

Company Statement of Financial Position as at 31 December 2015

	Note	Company 2015 £ 000	Company 2014 £ 000	Company 2013 £ 000
Non-current assets				
Investments	12	126,700	126,700	126,700
Deferred tax assets	16	1,812	2,736	2,214
Total non-current assets		128,512	129,436	128,914
Current assets				
Trade and other receivables	13	224,453	242,904	251,825
Cash and cash equivalents		15,872	9,784	14,182
Total current assets		240,325	252,688	266,007
Total assets		368,837	382,124	394,921
Non-current liabilities				
Derivative financial instruments	22	(10,065)	(13,679)	(11,071)
Borrowings	18	(251,601)	(270,821)	(288,627)
Total non-current liabilities		(261,666)	(284,500)	(299,698)
Current liabilities				
Trade and other payables	15	(46,106)	(30,939)	(25,583)
Borrowings	18	(24,170)	(24,646)	(22,260)
Total current liabilities		(70,276)	(55,585)	(47,843)
Total liabilities		(331,942)	(340,085)	(347,541)
Net assets		36,895	42,039	47,380
Equity				
Called up share capital	19	500	500	500
Cash flow hedging reserve		(8,253)	(10,943)	(8,857)
Retained earnings		44,648	52,482	55,737
Total shareholder funds		36,895	42,039	47,380

The financial statements on pages 9 to 48 were approved and authorised for issue by the Board of Directors on 14 June 2016 and signed on its behalf by:



ALEXIS ULEN

Director

Company number 06707821

The notes on pages 15 to 48 form an integral part of these financial statements.

GLID Wind Farms TopCo Limited

Consolidated and Company Statements of Changes in Equity for the Year Ended 31 December 2015

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2015

	Note	Share capital £ 000	Cash flow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
Balance as at 1 January 2014	19	500	(8,857)	60,835	52,478
Loss for the year		-	-	(15,557)	(15,557)
Other comprehensive expense		-	(2,086)	-	(2,086)
Total comprehensive expense		-	(2,086)	(15,557)	(17,643)
Balance as at 31 December 2014		500	(10,943)	45,278	34,835

	Note	Share capital £ 000	Cash flow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
Balance as at 1 January 2015	19	500	(10,943)	45,278	34,835
Loss for the year		-	-	(6,180)	(6,180)
Other comprehensive income		-	2,690	-	2,690
Total comprehensive income/(expense)		-	2,690	(6,180)	(3,490)
Balance as at 31 December 2015		500	(8,253)	39,098	31,345

Company Statement of Changes in Equity for the Year Ended 31 December 2015

	Note	Share capital £ 000	Cash flow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
Balance as at 1 January 2014	19	500	(8,857)	55,737	47,380
Loss for the year		-	-	(3,255)	(3,255)
Other comprehensive expense		-	(2,086)	-	(2,086)
Total comprehensive income/(expense)		500	(2,086)	(3,255)	(5,341)
Balance as at 31 December 2014		500	(10,943)	52,482	42,039
	Note	Share capital £ 000	Cash flow hedging reserve £ 000	Retained earnings £ 000	Total £ 000
Balance as at 1 January 2015	19	500	(10,943)	52,482	42,039
Loss for the year		-	-	(7,834)	(7,834)
Other comprehensive income		-	2,690	-	2,690
Total comprehensive income/(expense)		500	2,690	(7,834)	(5,144)
Balance as at 31 December 2015		500	(8,253)	44,648	36,895

The notes on pages 15 to 48 form an integral part of these financial statements.

GLID Wind Farms TopCo Limited

Consolidated and Company Statement of Cash Flows for the Year Ended 31 December 2015

Consolidated Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Cash flows from operating activities			
Loss for the year		(6,180)	(15,557)
Adjustments for:			
Depreciation	11	26,970	27,022
Finance income	7	(144)	(127)
Finance costs	7	28,144	27,555
Income tax credit	10	(2,314)	(2,448)
Operating cash flows before movements in working capital		46,476	36,445
Changes in working capital			
Increase in inventories	14	(750)	(753)
(Increase)/decrease in trade and other receivables	13	(6,895)	1,231
Increase in trade and other payables	15	809	579
Net cash flow generated from operating activities		39,640	37,502
Cash flows from investing activities			
Interest received		146	304
Acquisitions of property plant and equipment	11	(202)	(4,854)
Net cash flows from investing activities		(56)	(4,550)
Cash flows from financing activities			
Interest paid		(13,809)	(21,911)
Repayment of bank borrowing		(19,696)	(15,422)
Net cash flows used in financing activities		(33,505)	(37,333)
Net increase/(decrease) in cash and cash equivalents		6,079	(4,381)
Cash and cash equivalents at 1 January		9,978	14,359
Cash and cash equivalents at 31 December		16,057	9,978

The notes on pages 15 to 48 form an integral part of these financial statements.

GLID Wind Farms TopCo Limited

Consolidated and Company Statement of Cash Flows for the Year Ended 31 December 2015 (continued)

Company Statement of Cash Flows for the Year Ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Cash flows from operating activities			
Loss for the year		(7,834)	(3,255)
Adjustments for:			
Finance income		(19,594)	(23,714)
Finance costs		27,673	27,236
Income tax credit		(1,685)	(1,199)
Operating cash flows before movements in working capital		(1,440)	(932)
Changes in working capital			
(Increase)/decrease in trade and other receivables	13	39,584	33,351
Increase in trade and other payables	15	1,303	212
Net cash flow generated from operating activities		39,447	32,631
Cash flows from investing activities			
Interest received		146	304
Cash flows from financing activities			
Interest paid		(13,809)	(21,911)
Repayment of bank borrowing		(19,696)	(15,422)
Net cash flows used in financing activities		(33,505)	(37,333)
Net increase/(decrease) in cash and cash equivalents		6,088	(4,398)
Cash and cash equivalents at 1 January		9,784	14,182
Cash and cash equivalents at 31 December		15,872	9,784

The notes on pages 15 to 48 form an integral part of these financial statements.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

GLID Wind Farms TopCo Limited (the 'Company') is a company limited by shares and incorporated and domiciled in England and Wales.

The address of its registered office is:

Eversheds LLP
70 Great Bridgewater Street
Manchester
M1 5ES

The principal place of business is:

Centrica Renewables O&M
North Quay
Grimsby
DN31 3SY

2 Accounting policies

Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("adopted IFRSs").

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of consolidation

The Group's financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting. Each company in the Group has adopted the same accounting policies and they are applied uniformly across the Group. The financial statements of each company in the Group have been prepared to 31 December 2015. All intra-group transactions and profits are eliminated in full on consolidation.

Basis of preparation

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("adopted IFRSs"). In preparing the Group's financial statements the Group applies the recognition, measurement and disclosure requirements of adopted IFRSs, but makes amendments where necessary in order to comply with Companies Act 2006.

In the transition to adopted IFRS, the Group has applied IFRS 1. An explanation of how the transition to IFRS has effected the reported financial position and financial performance of the Group is provided in note 28.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

These financial statements are presented in pound sterling (with all values rounded to the nearest thousand pounds except when otherwise indicated), which is also the functional currency of the Group. Transactions conducted in currencies other than the functional currency are translated in accordance with the foreign currencies accounting policy set out below.

The financial statements are prepared on the historical cost basis except for derivative financial instruments and financial instruments designated at fair value through profit and loss on initial recognition. The carrying value of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Going concern

The financial statements have been prepared on a going concern basis.

Changes in accounting policy

New standards, amendments and interpretations adopted

None of the standards, amendments or interpretations effective for the financial year beginning on 1 January 2015 are considered to have a material effect on the financial statements.

New standards, amendments and interpretations not yet adopted

The following standards, amendments to standards and interpretations, which are effective for annual periods beginning after 1 January 2015, have not been applied in these financial statements and may have an effect on the Group's financial statements in future:

IFRS 9 'Financial instruments' is effective for periods beginning on 1 January 2018 and is yet to be endorsed by the EU. The Group is in the process of assessing IFRS 9 and is still to conclude on the effects of this standard.

IFRS 16 'Leases' was issued in January 2016, effective from 1 January 2019, but still subject to EU endorsement. IFRS 16 'Leases' will have an effect on the Group's financial statements although this has yet to be quantified. IFRS 16, with certain exceptions, requires the Group, as a lessee, to recognise right of use assets and lease liabilities for all leases. There is no longer a distinction between operating and finance leases for lessees. The definition of a lease has also been modified which may change those contracts the Group accounts for as leases.

None of the other standards, amendments and interpretations effective for periods beginning after 1 January 2015, and which have not been adopted early, would be expected to have a material effect on the financial statements.

Revenue recognition

Revenue relates to the sale of generated power, the associated Renewables Obligation Certificates ("ROCs") including Recycling Benefit and, prior to the removal of their value from 1 August 2015, Levy Exemption Certificates ("LECs"). Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised on the basis of power supplied during the period, together with associated ROCs and LECs, except that the ROC Recycling Benefit is recognised once the cash for the benefit is received. Revenue which has not been billed at the reporting date is included as accrued income.

Cost of sales

Cost of sales includes the depreciation of assets and operations and maintenance costs.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys a right to use the asset or assets. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing at the reporting period date, and associated gains and losses are recognised in the income statement for the period. Non-monetary items that are measured at historical cost in a currency other than the functional currency of the Group are translated using the exchange rate prevailing at the dates of the initial transaction and are not retranslated. Non-monetary items measured at fair value in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured.

Taxation

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Tax is recognised in the Income Statement, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment ("PP&E")

PP&E is stated in the Statement of Financial Position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The cost of PP&E includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class

Plant and Machinery:

Decommissioning asset:

Depreciation method and rate

Straight line, between 8 to 20 years

Straight line, 20 years

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. The 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is immediately reduced to its recoverable amount. The carrying values of PP&E are tested annually for impairment and are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Residual values and useful lives are reassessed annually and, if necessary, changes are accounted for prospectively.

Inventories

Inventories are stated at the lower of cost incurred in bringing each item to its present location and condition and net realisable value. Provision is made where necessary for obsolete, slow-moving and defective inventories. Cost is determined on a FIFO (first in, first out) basis.

Provisions

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

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Decommissioning costs

Provision is made for the net present value of the estimated cost of decommissioning the wind farms at the end of their useful lives, based on price levels and technology at the balance sheet date.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated PP&E and depreciated accordingly. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within PP&E. The unwinding of the discount on the provision is included in the Income Statement within interest expense.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Group no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

Trade and other receivables

Trade receivables are amounts due from customers for power sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Trade and other payables

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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resource received or receivable. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are re-acquired are deducted from equity. No gain or loss is recognised in the Group's Income Statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Interest-bearing loans and other borrowings

All interest-bearing (and interest free) loans and other borrowings with banks or similar institutions and 'intercompany entities' are initially recognised at fair value net of directly attributable transaction costs (if any, in respect of 'intercompany funding'). After initial recognition, these financial instruments are measured at amortised cost using the 'Effective Interest Rate' method, except when they are the hedged item in an effective fair value hedge relationship where the carrying value is also adjusted to reflect the fair value movements associated with the hedged risks. Such fair value movements are recognised in the Group's Income Statement. Amortised cost is calculated by taking into account any issue costs, discount or premium, when applicable.

Derivative financial instruments

The Group uses derivatives to hedge exposures to financial risks, such as interest rate and foreign exchange risks, arising in the normal course of business. The use of derivative financial instruments is governed by the Group's policies which are approved by the Board of Directors. Further detail on the Group's risk management policies is included within the Strategic report "Principal risks and uncertainties" on page 1 and in note 19.

The accounting treatment for derivatives is dependent on whether they are entered into for commercial or hedging purposes. A derivative instrument is considered to be used for hedging purposes when it alters the risk profile of an underlying exposure of the Group in line with the Group's risk management policies and is in accordance with established guidelines, which require the hedging relationship to be documented at its inception, ensure that the derivative is highly effective in achieving its objective, and require that its effectiveness can be reliably measured. The Group also holds derivatives which are not designated as hedges for accounting purposes but are held for commercial purposes, for example to manage foreign exchange risk.

All derivatives are recognised at fair value on the date on which the derivative is entered into and are re-measured to fair value at each reporting date. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative assets and derivative liabilities are offset and presented on a net basis only when both a legal right of set-off exists and the intention to net settle the derivative contracts is present.

Recognition of the gains or losses resulting from changes in fair value depends on the purpose for issuing or holding the derivative. For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to the Income Statement and are included within operating profit.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

2 Accounting policies (continued)

Hedge accounting

For the purposes of hedge accounting hedges are classified as cash flow hedges.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the Income Statement.

When the forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into the Income Statement in the same period or periods during which the asset acquired or liability assumed affects profit or loss e.g. when interest income or expense is recognised.

For cash flow hedges, other than those covered above, the associated cumulative gain or loss is removed from equity and recognised in the Income Statement in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the Income Statement immediately.

3 Critical accounting judgements and key sources of estimation uncertainty

Useful lives of PP&E

Depreciation is charged so as to write off the costs of the assets over their estimated useful lives. The expected useful lives of the assets are anticipated to be 20 years, should the expected lives change then this will affect the annual depreciation charge.

Impairment of PP&E

The Company's wind farm assets comprise various property, plant and equipment. The Company makes judgements and estimates in considering whether the carrying amounts of these assets are recoverable. Should the recoverable amounts be less than the current carrying values then an impairment charge is made to reduce the assets down to their net recoverable amounts.

Decommissioning costs

The estimated cost of decommissioning at the end of the wind farm's life is reviewed periodically and is based price levels and technology at the balance sheet date. Provision is made for the estimated cost of decommissioning at the balance sheet date. The payment dates of total expected future decommissioning costs are uncertain but are currently anticipated to be between 2025 and 2028.

Impairment of trade receivables

The recoverable amount of the Company's trade receivables is assessed for recoverability and provision provided for any potential bad or doubtful debt.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

4 Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2015 £ 000	2014 £ 000
Sale of generated electricity and associated environmental credits	<u>71,486</u>	<u>63,550</u>

All turnover relates to the principal activity of the business and occurs wholly in the United Kingdom.

5 Expenses by nature

	2015 £ 000	2014 £ 000
Operating profit is stated after charging:		
Depreciation of tangible assets (note 11)	26,970	27,021
Operating lease payments (note 20)	<u>1,991</u>	<u>1,861</u>

6 Employees' costs

The Group and the Company had no employees and therefore no staff costs (2014: £nil).

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

7 Net finance costs

Finance income

	2015 £ 000	2014 £ 000
Interest income from amounts owed by group undertakings	106	65
Interest income on bank and other short-term deposits	38	62
Total finance income	144	127

Finance costs

	2015 £ 000	2014 £ 000
Interest on amounts owed to group undertakings	(13,871)	(12,456)
Interest on bank overdrafts and borrowings	(13,802)	(14,776)
Unwinding of discount on decommissioning provision	(471)	(323)
Total finance costs	(28,144)	(27,555)
Net finance cost	(28,000)	(27,428)

8 Directors' remuneration

The aggregate emoluments paid to directors in respect of their qualifying services is £nil (2014: £nil). GLID Wind Farms TopCo Limited is a jointly controlled entity and the Directors are nominated by the joint venturers and all remuneration is paid by other group companies of the joint venturers. Accordingly no emoluments are paid for their services to the Group and the Company.

9 Auditors' remuneration

Auditors' remuneration was £78,000 and relates to the audit of the Financial Statements, of which £27,000 relates to the audit of the Company and £51,000 relates to the audit of the subsidiaries (2014: £57,000, of which £20,000 relates to the audit of the Company and £37,000 relates to the audit of the subsidiaries). Non audit fees during the year amounted to £nil (2014: £nil).

10 Income tax

Tax charged/(credited) in the income statement

	2015 £ 000	2014 £ 000
Current taxation		
UK corporation tax at 20.25% (2014: 21.50%)	-	(242)
Adjustments in respect of prior years	242	-
	242	(242)

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

10 Income tax (continued)

	2015 £ 000	2014 £ 000
Deferred taxation		
Current year - Origination and reversal of timing differences	(295)	-
Origination and reversal of timing differences	-	(2,393)
Arising from changes in tax rates and laws	(2,262)	166
Adjustments in respect of prior years	1	21
Total deferred taxation	(2,556)	(2,206)
Income tax credit	(2,314)	(2,448)

Tax expense for the year is lower (2014: higher) than the standard rate of corporation tax in the UK for the year ended 31 December 2015 at 20.25% (2014: 21.50%). The differences are explained below:

	2015 £ 000	2014 £ 000
Loss before tax	(8,494)	(18,005)
Loss multiplied by the standard rate of tax in the UK of 20.25% (2014: 21.50%)	(1,720)	(3,870)
Effects of:		
Depreciation on non qualifying assets	1,141	1,477
Expenses not deductible	285	-
Change in UK tax rates	(2,262)	166
Adjustments in respect of prior years	242	21
Group relief not paid for	-	(242)
Income tax credit	(2,314)	(2,448)

In addition, a deferred tax charge of £924,000 (2014: tax credit of £522,000) was transferred from the cash flow hedge reserve to the deferred tax provision (note 16). This represents the tax effect on the interest rate derivatives.

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 on 26 October 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

11 Property, plant and equipment

The Company has no property, plant and equipment (2014: £nil). All property, plant and equipment relates to the Group.

	Plant and machinery £ 000	Decommissioning asset £ 000	Total £ 000
Cost or valuation			
At 1 January 2014	565,233	20,335	585,568
Additions	4,561	-	4,561
Revisions	-	(5,232)	(5,232)
At 31 December 2014	569,794	15,103	584,897
At 1 January 2015	569,794	15,103	584,897
Additions	202	-	202
Revision to decommissioning asset	(2,165)	(5,606)	(7,771)
At 31 December 2015	567,831	9,497	577,328
Accumulated Depreciation			
At 1 January 2014	186,922	5,755	192,677
Charge for year	26,348	673	27,021
At 31 December 2014	213,270	6,428	219,698
At 1 January 2015	213,270	6,428	219,698
Charge for the year	26,444	526	26,970
Revision to decommissioning asset	-	(1,793)	(1,793)
At 31 December 2015	239,714	5,161	244,875
Carrying amount			
At 31 December 2015	328,117	4,336	332,453
At 31 December 2014	356,524	8,675	365,199
At 1 January 2014	378,311	14,580	392,891

The fair value of the tangible fixed assets acquired with the subsidiaries was derived using forward power prices at the time of acquisition in 2008. The accumulated depreciation and impairment charge includes an impairment charge in 2009 to reflect the reduction in the net realisable value of the tangible fixed assets due to a decline in forward power prices. A full impairment assessment has been performed in 2015 with the current carrying value of the tangible fixed assets being deemed appropriate.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

12 Investments in subsidiaries

The Company had the following investments in subsidiaries;

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2014	<u>229,000</u>
At 31 December 2014 and 1 January 2015	<u>229,000</u>
At 31 December 2015	<u>229,000</u>
Provision	
At 1 January 2014	<u>102,300</u>
At 31 December 2014 and 1 January 2015	<u>102,300</u>
At 31 December 2015	<u>102,300</u>
Carrying amount	
At 31 December 2015	<u>126,700</u>
At 31 December 2014	<u>126,700</u>
At 1 January 2014	<u>126,700</u>

The consideration paid for the three subsidiaries was based on the value in use of the net assets acquired, using forward power prices at the time of acquisition in 2008. The current net book value reflects the impairment charge in the year ending 31 December 2009 due to the decline in forward power prices.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

On 7 March 2016 the company sold its investment in Glens of Foudland, see note 27.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

12 Investments in subsidiaries (continued)

At 31 December 2015, the Company held interests in the issued share capital of the following undertakings, all of which have been consolidated in these financial statements:

Name of subsidiary	Principal activity	Class of shares held	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
				2015	2014
Glens of Foudland Wind Farm Limited*	Operation of an onshore wind farm	Ordinary	United Kingdom	100%	100%
Lynn Wind Farm Limited*	Operation of an offshore wind farm	Ordinary	United Kingdom	100%	100%
Inner Dowsing Wind Farm Limited*	Operation of an offshore wind farm	Ordinary	United Kingdom	100%	100%

* indicates direct investment of GLID Wind Farms TopCo Limited.

13 Trade and other receivables

	Group 2015 Current £ 000	Group 2014 Current £ 000	Group 2013 Current £ 000	Company 2015 Current £ 000	Company 2014 Current £ 000	Company 2013 Current £ 000
Financial assets:						
Trade receivables	3,794	-	-	-	-	-
Loans to related parties	20,974	20,974	21,153	20,974	20,974	21,153
Accrued income	22,085	19,775	20,901	129	278	67
Value added tax	-	-	-	401	-	-
Other receivables	-	12	3	-	2	30
Amounts owed by group undertakings	-	-	-	202,949	221,650	230,575
	<u>46,853</u>	<u>40,761</u>	<u>42,057</u>	<u>224,453</u>	<u>242,904</u>	<u>251,825</u>
Non-financial assets:						
Prepayment	3,045	2,242	2,351	-	-	-
	<u>49,898</u>	<u>43,003</u>	<u>44,408</u>	<u>224,453</u>	<u>242,904</u>	<u>251,825</u>

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

13 Trade and other receivables (continued)

Part of the accrued income balance at 31 December 2015 was subject to the terms of the Power Purchase Agreement (note 25).

Within the amounts owed by Centrica group undertakings is a loan from the Company to one of the immediate parent undertakings, GLID Limited, of £20,974,000 (2014: £20,976,000), together with accrued interest of £nil (2014: £nil). The loan is unsecured and repayable on demand, accruing interest at LIBOR for the interest period.

The remaining amounts owed by Group undertakings are repayable on demand and may be repaid to the Company at any time without penalty. The rate of interest is 9% per annum.

14 Inventories

	Group 2015 Current £ 000	Group 2014 Current £ 000	Group 2013 Current £ 000	Company 2015 Current £ 000	Company 2014 Current £ 000	Company 2013 Current £ 000
Raw materials and consumables	1,503	753	-	-	-	-

The write-down of stocks and consumables in the year amounted to £7,000 (2014 £nil). Stock and consumables expensed to the Income Statement amounted to £193,000 (2014: £32,000). All inventories relate to Lynn and Inner Dowsing wind farms. There is no significant difference between the replacement cost of inventories and their carrying amounts.

15 Trade and other payables

	Group 2015 Current £ 000	Group 2014 Current £ 000	Group 2013 Current £ 000	Company 2015 Current £ 000	Company 2014 Current £ 000	Company 2013 Current £ 000
Trade payables	3,805	785	231	2,189	524	-
Amounts owed to group undertakings	43,656	29,786	24,592	43,656	29,786	24,592
Accrued expenses	3,228	5,175	4,773	261	501	189
VAT creditor	924	1,188	1,731	-	128	802
	<u>51,613</u>	<u>36,934</u>	<u>31,327</u>	<u>46,106</u>	<u>30,939</u>	<u>25,583</u>

Amounts owed to group undertakings on shareholder loans consist of £43,656,000 (2014: £29,786,000) which relates to loan interest payable at a rate of 9%. The loan amount was repayable on demand and was fully repaid subsequent to the year end on 7 March 2016.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

16 Deferred tax liabilities

The movements in respect of the deferred income tax assets and liabilities for the Group that occurred during the financial year are as follows:

	Group 2015 £ 000	Group 2014 £ 000	
At 1 January	20,211	22,936	
Charged to the income statement	(2,557)	(2,203)	
Charged to the cash flow hedging reserve	924	(522)	
At 31 December	<u>18,578</u>	<u>20,211</u>	
	Provided 31 December 2015	Provided 31 December 2014	Provided 31 December 2013
Deferred corporation tax			
- accelerated capital allowances	21,867	24,822	26,847
- other timing differences	(3,289)	(4,611)	(3,911)
	<u>18,578</u>	<u>20,211</u>	<u>22,936</u>

Movement during the year:

	At 1 January 2015 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2015 £ 000
Accelerated tax depreciation	24,822	(2,955)	-	21,867
Other items	(1,875)	398	-	(1,477)
Revaluation of cash flow hedges	(2,736)	-	924	(1,812)
Net tax liabilities	<u>20,211</u>	<u>(2,557)</u>	<u>924</u>	<u>18,578</u>

Movement during the prior year:

	At 1 January 2014 £ 000	Recognised in income £ 000	Recognised in other comprehensive income £ 000	At 31 December 2014 £ 000
Accelerated tax depreciation	26,847	(2,025)	-	24,822
Other items	(1,697)	(178)	-	(1,875)
Revaluation of cash flow hedges	(2,214)	-	(522)	(2,736)
Net tax liabilities	<u>22,936</u>	<u>(2,203)</u>	<u>(522)</u>	<u>20,211</u>

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

16 Deferred tax liabilities (continued)

A deferred tax asset was recognised based on the expected recovery in future years following the usual business model for a project-financed wind farm, with cash generated from operations used to repay interest and loans and hence successively reduce future financing costs.

Deferred tax assets and liabilities are within the same tax jurisdiction and have been offset for financial reporting purposes:

	2015 Assets £ 000	2015 Liabilities £ 000	2014 Assets £ 000	2014 Liabilities £ 000
Gross deferred tax crystallising within one year	-	566	(396)	2,955
Gross deferred tax crystallising after one year	(3,289)	21,301	(4,214)	21,866
	(3,289)	21,867	(4,610)	24,821
Offsetting deferred tax balances	3,289	(3,289)	4,610	(4,610)
Net deferred tax balances	-	18,578	-	20,211

The movements in respect of the deferred income tax assets for the Company that occurred during the financial year are as follows:

	Company 2015 £ 000	Company 2014 £ 000
At 1 January	(2,736)	(2,214)
Charged to the cash flow hedging reserve	924	(522)
At 31 December	(1,812)	(2,736)

	Provided 31 December 2015	Provided 31 December 2014	Provided 31 December 2013
Deferred corporation tax	(1,812)	(2,736)	(2,214)
- other timing differences	(1,812)	(2,736)	(2,214)

Movement during the year:

	At 1 January 2015 £ 000	Recognised in other comprehensive income £ 000	At 31 December 2015 £ 000
Revaluation of cash flow hedges	(2,736)	924	(1,812)
Net tax liabilities	(2,736)	924	(1,812)

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

16 Deferred tax liabilities (continued)

Movement during the prior year:

	At 1 January 2014	Recognised in other comprehensive income £ 000	At 31 December 2014 £ 000
Revaluation of cash flow hedges	(2,214)	(522)	(2,736)
Net tax liabilities	<u>(2,214)</u>	<u>(522)</u>	<u>(2,736)</u>

A deferred tax asset was recognised based on the expected recovery in future years following the usual business model for a project-financed wind farm, with cash generated from operations used to repay interest and loans and hence successively reduce future financing costs.

	2015 Assets £ 000	2014 Assets £ 000
Gross deferred tax crystallising after one year	(1,812)	(2,736)
Net deferred tax balances	<u>(1,812)</u>	<u>(2,736)</u>

17 Other provisions

	Group 2015 £ 000	Group 2014 £ 000	Group 2013 £ 000	Company 2015 £ 000	Company 2014 £ 000	Company 2013 £ 000
Decommissioning provision						
At 1 January	18,049	22,959	23,510	-	-	-
Additions/revisions	(5,981)	(5,233)	(1,011)	-	-	-
Unwind of discounting	471	323	460	-	-	-
	<u>12,539</u>	<u>18,049</u>	<u>22,959</u>	<u>-</u>	<u>-</u>	<u>-</u>

Decommissioning provision

The decommissioning provision represents the future expected costs of decommissioning the Group's wind farms at the end of their useful economic lives, discounted to the present value. The payment date of the total expected future decommissioning costs is uncertain but is currently anticipated to be 2025 for Glens of Foudland and 2028 for Lynn and Inner Dowsing. The above provision relates solely to assets held as at the date of these financial statements. In determining the provision the cash flows have been discounted on a pre-tax basis using an annual real interest rate of 2.76% (2014: 1.83%) for Glens of Foudland and 2.97% (2014: 2.03%) for Lynn and Inner Dowsing. The assumed rate of inflation is 1.05% (2014: 1.98%).

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

18 Borrowings

	Group 2015 £000	Group 2014 £000	Group 2013 £000	Company 2015 £000	Company 2014 £000	Company 2013 £000
Current bank overdrafts, loans and borrowings						
Bank borrowings	<u>24,170</u>	<u>24,646</u>	<u>22,260</u>	<u>24,170</u>	<u>24,646</u>	<u>22,260</u>

	Group 2015 £000	Group 2014 £000	Group 2013 £000	Company 2015 £000	Company 2014 £000	Company 2013 £000
Non-current bank overdrafts, loans and borrowings						
Bank borrowings	169,177	188,397	206,203	169,177	188,397	206,203
Shareholder loans	82,424	82,424	82,424	82,424	82,424	82,424
	<u>251,601</u>	<u>270,821</u>	<u>288,627</u>	<u>251,601</u>	<u>270,821</u>	<u>288,627</u>

	Group 2015 £000	Group 2014 £000	Group 2013 £000	Company 2015 £000	Company 2014 £000	Company 2013 £000
Maturity of bank loans and overdrafts						
Within one year	24,170	24,646	22,260	24,170	24,646	22,260
In more than one year, but not more than two years	17,896	19,218	17,808	17,896	19,218	17,808
In more than two years, but not more than five years	65,236	60,596	58,280	65,236	60,596	58,280
In more than five years	168,469	191,007	212,539	168,469	191,007	212,539
	<u>275,771</u>	<u>295,467</u>	<u>310,887</u>	<u>275,771</u>	<u>295,467</u>	<u>310,887</u>

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

18 Borrowings (continued)

Bank loans are denominated in Sterling. The constituent parts of the bank loans are:

- 1) a term loan facility of £290,944,184. The loan was wholly drawn down on 9 November 2009. The loan was to be repaid in 29 semi-annual instalments with the first scheduled loan repayment on 30 June 2010 and the final scheduled loan repayment on 30 June 2024. Repayments of £17,896,000 were due within 1 year (2014: £19,218,000), (2013: £17,808,000).
- 2) a revolving credit working capital facility of up to £15,000,000 until 31 May 2024. £2,300,000 of this facility was drawn at 31 December 2015 (2014: £3,500,000), (2013: £1,300,000).
- 3) a revolving letter of credit facility of up to £35,000,000 until 31 May 2024. The loan value was £2,652,288 at 31 December 2014 (2014: £3,337,644), (2013: £2,699,008).

Subsequent to the year end on 7 March 2016 all external loans were repaid by the new joint venture partners.

The interest payable on amounts drawn under the bank loans was based on LIBOR for the interest period for that particular loan, plus a margin and other costs. A commitment fee was payable on undrawn working capital and letter of credit facilities at the rate of 50 per cent per annum of the applicable margin.

The bank loans were secured on the assets and shares of the Company until 7 March 2016.

The debenture loans consisted of loan notes issued to each of the original parent undertakings in the form of a parent loan. Each parent undertaking was issued with £41,212,000 of loan notes. The notes bear interest on their outstanding principal amount at a rate of 12% per annum. The notes were due on 24 October 2059 but may be redeemed by the Company at any time. The loans were repaid in full on 7 March 2016, together with accrued interest.

Other borrowings relate to Shareholder loans payable to the Company's immediate parent undertakings. The Company may repay the whole or any part of the outstanding loan amount at any time, but in any event the loan amount (together with interest accrued) is repayable in full by 31 December 2059. The loans are unsecured. The interest payable accrues at a fixed rate of 9% per annum.

The loans and borrowings classified as financial instruments are disclosed in note 22.

The company's exposure to market and liquidity risk; including maturity analysis, in respect of loans and borrowings is disclosed in note 24.

19 Share capital

Allotted, called up and fully paid shares

	2015 No. 000	2015 £ 000	2014 No. 000	2014 £ 000	2013 No. 000	2013 £ 000
Ordinary shares of £1 each	500	500	500	500	500	500

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

20 Operating leases

At 31 December 2015 the Company had commitments under non-cancellable operating leases with the following maturity:

	2015 £ 000	2014 £ 000
Within one year	1,645	1,650
In two to five years	3,562	2,556
In over five years	4,977	5,616
	<u>10,184</u>	<u>9,822</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year during the year was £1,991,000 (2014: £1,861,000) and the amount of contingent rents was £342,000 (2014: £211,000).

Contingent rents relate to payments to The Crown Estate and Bognie Trust in respect of volumes in excess of the minimum output.

21 Other commitments and contingencies

Capital commitments

The total amount contracted for but not provided in the financial statements was £nil (2014: £nil).

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

22 Financial instruments at fair value

The Company has entered into an interest swap to hedge 75% of the interest payable for the duration of the bank loan. On 7 March 2016 the bank loan was repaid in full and the remaining interest swap was settled.

Determination of fair values

The Group and Company's financial assets and financial liabilities are measured and held at fair value are classified into one of three categories, known as hierarchy levels, which are defined according to the inputs used to measure fair value as follows;

- Level 1: Fair value ("FV") is determined using observable inputs that reflect unadjusted quoted market prices for identical assets and liabilities;
- Level 2: Fair value ("FV") is determined using significant inputs that may be directly observable inputs or unobservable inputs that are corroborated by market data; and
- Level 3: Fair value ("FV") is determined using significant unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

	2015 FV and carrying value £000	2015 FV hierarchy - Level 2 £000	2014 FV and carrying value £000	2014 FV hierarchy - Level 2 £000	2013 FV and carrying value £000	2013 FV hierarchy - Level 2 £000
Derivative financial liabilities - held for trading						
Interest rate derivatives	<u>10,065</u>	<u>10,065</u>	<u>13,679</u>	<u>13,679</u>	<u>11,071</u>	<u>11,071</u>

Level 2 interest rate derivatives comprise interest rate swaps. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves.

23 Fair value of financial instruments held at amortised cost

The Group and Company's financial assets and liabilities measured at amortised cost comprise trade and other receivables, cash and cash equivalents, trade and other payables and loans and borrowings. Due to their nature and/or short term maturity, the fair values of financial assets and liabilities measured at amortised cost are estimated to approximate their carrying values.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

24 Financial risk management and impairment of financial assets

The Group's normal operating, investing and financing activities expose it to a variety of financial risks: credit risk, market risk (including price risk, interest rate risk and currency risk) and liquidity risk. The Group's overall financial risk management approach aims to identify, manage and mitigate these risks.

During the year GLID Wind Farms TopCo Limited was required to make interest and capital loan repayments on 30 June and 31 December. On 7 March 2016 the capital and interest was fully repaid.

Interest rate swaps were in place covering seventy five percent of the interest rate exposure. The remaining twenty five percent was subject to variations and was calculated based on 6 month LIBOR. On 7 March 2016, in connection with repayment of the term loan, the interest rate swaps were terminated.

The Group had access to a £15 million working capital facility during the 2015 financial year which could be drawn down as required. Since 7 March 2016 this facility is no longer available.

GLID Windfarms TopCo Limited has provided a letter of support to both Lynn Wind Farm Limited and Inner Dowsing Wind Farm Limited, such that amounts owed to the parent company will only be requested subject to the subsidiaries being able to meet their liabilities as they fall due.

Credit risk and impairment

Credit risk is the risk of loss associated with a counterparty's inability or failure to discharge its obligations under a contract.

The Group is exposed to credit risk in its sale of goods and services and on its treasury activities. Counterparty credit exposures are monitored by individual counterparty and by a minimum threshold credit rating.

There have been no material changes in the management of risk in the period or in the level of exposure to counterparties below investment grade.

Loans and receivables credit risk exposure

	31 December 2015 £ 000	31 December 2014 £ 000	31 December 2013 £ 000
AAA to BBB-	46,853	40,749	42,054
Unrated	-	12	3
	<u>46,853</u>	<u>40,761</u>	<u>42,057</u>

Cash and cash equivalents credit risk exposure

	31 December 2015 £ 000	31 December 2014 £ 000	31 December 2013 £ 000
AAA to BBB-	16,057	9,978	14,359

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

24 Financial risk management and impairment of financial assets (continued)

Concentrations of credit risk

The Group sells all of its generated electricity and a significant proportion of the associated environmental credits to British Gas Trading Limited.

The remainder of the associated environmental credits are sold to a counterparty rated at least A- by Standard & Poor (or the equivalent from Moody's), or in the event the credit rate is lower than A- a Parent Company Guarantee may be put in place, using forward contracts for periods less than or equal to three years. The contract is in respect of environmental credits attributable to the electricity produced by the wind farms without any fixed volume.

The Group has loaned amounts to companies that are members of groups controlled by its ultimate parent undertakings.

The Group's cash and cash equivalents are all held with a single financial institution.

Past due and impaired financial assets

No financial assets are past due at 31 December 2015 (2014: £nil; 2013: £nil) and no allowances have been made for impairment by credit losses (2014: £nil; 2013: £nil).

Derivative financial instruments credit risk exposure

Derivative fair value hedges

	Maximum amount of exposure £ 000	Provision for doubtful debt £ 000	Carrying value £ 000
Interest rate swap derivatives			
At 31 December 2015	10,065	-	10,065
At 31 December 2014	13,679	-	13,679
At 31 December 2013	11,071	-	11,071

Interest rate derivatives comprise interest rate swaps covering seventy five percent of the interest exposure on the Group's term loan. On 7 March 2016, following repayment of the term loan, the interest rate swaps were terminated.

Market risk

Market risk is the risk of loss that results from changes in market prices (commodity prices, interest rates and foreign exchange rates). The level of market risk to which the Group is exposed at a point in time varies depending on market conditions, expectations of future price or market rate movements.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

24 Financial risk management and impairment of financial assets (continued)

Commodity price risk

The Group is exposed to commodity price risk from the sale of electricity produced by the wind farms. The Group is also exposed to volumetric risk in the form of an uncertain production profile that is dependent on wind speeds and the physical availability of the wind farms. The availability is driven by technical performance of the wind turbines, physical access to the wind farm and distribution and transmission system availability.

To manage the price risk the Group has entered into power purchase agreements with British Gas Trading Limited to sell power until September 2024 based on a market index. The commodity price exposure is managed by terms in these agreements that provide both a cap and floor to the prices achieved in respect of 75% of output.

There is a concentration of price risk to the Group as all of the electricity produced has to be immediately sold at the day-ahead market price, subject to the cap and floor prices included in the power purchase agreements. Current day ahead prices are close to the power price floor and have during the financial year been below the floor therefore there is a greater probability of upside than downside on power prices in future years for the 75% of generation covered by the floor price.

The volumetric risk is managed through operations and maintenance activities targeted to maximise commercial availability and yield from the available wind resource.

Sensitivity analysis

The Group deems that a +/- 5% movement in UK power prices is reasonable.

Sales of electricity represent approximately 30% of the Groups's revenue, so the impact to the Group on profit and equity, both after taxation, of a +/- 5% change in UK power prices would be +/- £1 million.

Other price risk

The Group is exposed to price risk from the sale of Renewable Obligation Certificates ("ROCs") and, prior to the removal of their value on 1 August 2015, Levy Exemption Certificates ("LECs") awarded based on electricity production. For ROCs there is a variable price component within this revenue stream, but the prices are substantially linked to the movement in the UK Retail Price Index. For LECs the prices are wholly linked to the movement in the UK Retail Price Index.

The Group is also exposed to regulatory risk in the form of ongoing governmental support for the issue of these certificates.

The Group's power purchase agreements provide for all of the LECs and 50% of the ROCs to be sold on a long-term contracted basis until September 2024.

The remainder of the ROCs are sold using forward contracts for periods less than or equal to three years. The contract is in respect of the ROCs attributable to the electricity produced by the wind farms without any fixed volume.

During the year a change in government policy resulted in the removal of the value for LECs, with this component of the revenue stream consequently ceasing from 1 August 2015.

All of the certificates awarded have been contracted for sale based on the price set by government, which concentrates the price risk based on government actions to set industry targets for the supply of renewable power.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

24 Financial risk management and impairment of financial assets (continued)

Sensitivity analysis

The main sensitivity is around the variable price component of ROCs, the Recycling Benefit ("ROC recycle"), which represents an incremental level of revenue above the basic price set by government (the "buy-out price"). The Group deems that a range for the ROC recycle of between 0% - 10% of the ROC buy-out price is reasonably possible.

The impact to the Group on profit and equity, both after taxation, of a change to the ROC recycle to 0% of the buy-out price would be a reduction of less than £1 million and a change to the ROC recycle to 10% of the buy-out price would be an increase of £4 million.

Interest rate risk

In the normal course of business the Group borrows to finance operations. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

The Group's policy was to manage the interest rate risk on long-term borrowings by swapping 75% of the floating interest exposure on the Group's loan for a fixed rate interest charge.

On 7 March 2016 the long term bank loan was repaid in full and the remaining interest rate swap was settled.

Foreign exchange risk

The Group is exposed to currency risk on foreign currency denominated transactions and monetary assets and liabilities (transactional exposure).

The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Foreign currency exposure is monitored by currency and duration and managed through hedging activities using forward contracts to fix the functional currency value of significant non-currency cash flows.

The Group's exposure to foreign exchange market risk relates primarily to Euros and Danish Krone and relates to some spare parts purchases.

Sensitivity analysis

The Group deems 10% movement to Euro or Danish Krone currency rates relative to pound sterling to be reasonable.

The impact of such movements on profit and equity, both after taxation, is not material to the Group.

Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due. The Group experiences movements in its liquidity position due to the seasonal nature of its business and the structured profile of principal repayments and interest due on its long-term borrowings.

To mitigate this risk the Group utilises available debt financing working capital and holds cash on deposit.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

24 Financial risk management and impairment of financial assets (continued)

Maturity analysis

		Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After more than 5 years	Total
	Note	£ 000	£ 000	£ 000	£ 000	£ 000
31 December 2015						
Trade and other payables	15	51,613	-	-	-	51,613
Bank borrowings	18	24,170	17,896	65,236	168,469	275,771
		<u>75,783</u>	<u>17,896</u>	<u>65,236</u>	<u>168,469</u>	<u>327,384</u>
		Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After more than 5 years	Total
		£ 000	£ 000	£ 000	£ 000	£ 000
31 December 2014						
Trade and other payables	15	36,934	-	-	-	36,934
Bank borrowings	18	24,646	19,218	60,596	191,007	295,467
		<u>61,580</u>	<u>19,218</u>	<u>60,596</u>	<u>191,007</u>	<u>332,401</u>
		Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After more than 5 years	Total
		£ 000	£ 000	£ 000	£ 000	£ 000
31 December 2013						
Trade and other payables	15	31,327	-	-	-	31,327
Bank borrowings	18	22,260	17,808	58,280	212,539	310,887
		<u>53,587</u>	<u>17,808</u>	<u>58,280</u>	<u>212,539</u>	<u>342,214</u>

Capital risk management

Capital components

The Group considers Capital to comprise share capital, accumulated losses and net debt, which in turn is net of loans and borrowings and cash and cash equivalents.

		31 December 2015	31 December 2014	31 December 2013
	Note	£ 000	£ 000	£ 000
Total capital				
Share capital	19	500	500	500
Accumulated profits		39,098	45,278	60,835
Non-current loans and borrowings	18	251,601	270,821	288,627
Current loans and borrowings	18	24,170	24,646	22,260
Cash and cash equivalents		(16,057)	(9,978)	(14,359)
		<u>299,312</u>	<u>331,267</u>	<u>357,863</u>

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

24 Financial risk management and impairment of financial assets (continued)

Externally imposed capital requirements

The Loan Facility Agreement ("LFA") which was in operation during the year governing the external financing included certain key ratios which restricted the ability of the Group to make distributions to shareholders, including the ratio of operating cash flow debt service costs. The Group complied with all covenants during the year. On 7 March 2016 as part of the sale and purchase agreement all external loans were repaid by the new joint venture partners.

Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for their stakeholders.

The Group monitors its current and projected capital position on a regular basis through cash flow forecasts, which consider different inputs including significant movements in commodity prices. In order to maintain the capital structure the Group may adjust future distributions to shareholders.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

25 Related party transactions

From 11 December 2009, the subsidiaries of the Group have been wholly owned by GLID Wind Farms TopCo Limited. The Company provided initial funding of each wind farm by way of an inter company loan with all subsequent payments made by the Company on the subsidiaries behalf. The subsidiaries make periodic repayments against their loans together with interest payments. During the year Lynn Wind Farm Limited incurred interest on its loan of £11,163,000 (2014: £12,645,000), Inner Dowsing incurred interest on its loan of £9,511,000 (2014: £11,116,000) and the Company incurred interest on its loan to Glens of Foudland Wind Farm Limited of £1,224,000 (2014: £177,000). At 31 December 2015 Lynn Wind Farm Limited owed the Company £118,415,000 (2014: £124,723,000), Inner Dowsing Wind Farm Limited owed the Company £99,859,000 (2014: £108,623,000) and the Company owed Glens of Foudland £15,325,000 (2014: £12,538,000).

The Group has entered into transactions with related parties who are not members of the Group. This includes the sale of generated electricity and associated environmental credits to British Gas Trading Limited, a company in the Centrica Plc group, and the purchase of management and support services from Centrica Renewable Energy Limited, another company in the Centrica Plc group.

The Group has issued £82,424,000 (2014: £82,424,000) of loan notes to its shareholder undertakings in the form of shareholder loans (note 17). Each shareholder undertaking was issued with £41,212,000 (2014: £41,212,000) of loan notes. Total interest of £43,656,000 had accrued on these loan notes at 31 December 2015 (2014: £29,788,000). The Group has loaned £20,974,000 (2014: £20,974,000) to one of its shareholder undertakings, GLID Limited, with £nil accrued income outstanding at 31 December 2015 (2014: £nil).

On 7 March 2016 both the loan notes to shareholder undertakings and the loan to one of its shareholder undertakings were repaid in full.

During the year sales of generated electricity and associated environmental credits to British Gas Trading Limited, a wholly-owned subsidiary of Centrica plc, amounted to £57,136,000 (2014: £51,999,000) and are included in turnover for the year. At 31 December 2015, the balance receivable from British Gas Trading Limited for these sales amounted to £16,849,000 (2014: £13,054,000); as the corresponding sales had not been invoiced at the balance sheet date, this balance is disclosed in note 13 under accrued income. Purchase of management and support services from Centrica Renewable Energy Limited, a wholly-owned subsidiary of Centrica plc, amounted to £5,834,000 (2014: £5,757,000) and are included in costs for the year. At 31 December 2015, the balance payable to Centrica Renewable Energy Limited for these costs amounted to £444,000 (2014: £1,229,000).

No provision for bad or doubtful debts owed by related parties was required (2014: £nil).

The Directors received no emoluments during the year, as they were employed by other group companies of their respective ultimate parent companies. No recharges of emoluments are made to the company as it is not possible to accurately apportion them and accordingly no amounts are included in the financial statements for these individuals.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

26 Parent and ultimate parent undertaking

Until 7 March 2016 GLID Wind Farms Limited's immediate parent undertakings were GLID Limited, a company registered in England and Wales, and Boreas Holdings S.à.r.l., a company registered in Luxembourg, each of which held a 50% interest in the Company.

GLID Limited's ultimate parent undertaking was Centrica plc, a company registered in England and Wales. Boreas Holdings S.à.r.l. was a Luxembourg limited liability company 100% owned by funds managed and/or advised by EIG Management Company, LLC, a US (Delaware) limited liability company.

The consolidated financial statements of Centrica plc may be obtained from www.centrica.com. The consolidated financial statements of Boreas Holdings S.à.r.l are available by request of its Administrative Agent at 1700 Pennsylvania Ave, NW, Suite 800, Washington, DC 20006, USA.

On 7 March 2016 each of GLID Limited and Boreas Holdings S.à.r.l. agreed to sell their respective 50% share holding in GLID Wind Farms TopCo Limited, to UK Green Investment LID Limited (60.8% holding), RI Income UK Holdings Limited (34.3% holding) and RI EU Holdings (UK) Limited (4.9% holding).

UK Green Investment LID Limited are 100% owned by funds managed and/or advised by UK Green Investment Bank plc, a company registered in England and Wales. The consolidated financial statements of UK Green Investment Bank plc may be obtained from Level 13, 21-24 Millbank Tower, Millbank, London, SW1P 4QP.

RI Income UK Holdings Limited's ultimate parent undertaking is Renewable Income UK, a sub-fund of BlackRock Infrastructure Funds plc and RI EU Holdings (UK) Limited's ultimate parent undertaking is Renewable Income Europe, a sub-fund of BlackRock Infrastructure Funds plc, a company registered in Ireland. The consolidated financial statements of BlackRock Infrastructure Funds plc may be obtained from JP Morgan House, IFSC, Dublin 1.

27 Non adjusting events after the financial period

On 7 March 2016 each of GLID Limited and Boreas Holdings S.à.r.l. agreed to sell their respective 50% share holding in the Company to UK Green Investment LID Limited (60.8% holding), RI Income UK Holdings Limited (34.3% holding) and RI EU Holdings (UK) Limited (4.9% holding). As part of the transaction the Company was granted an option to purchase the Grimsby operational base. On the same day Immediately after the change of ownership GLID Wind Farms TopCo Limited agreed to sell it's 100% investment in Glens of Foudland Limited to RI Income UK Holdings Limited.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to IFRS

As stated in the basis of preparation note, these are the Company's first financial statements prepared in accordance with IFRS. The accounting policies set out in the policies note have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening IFRS balance sheet at 1 January 2014 (the Group's and Company's date of transition).

In preparing its IFRS balance sheet, the Group and Company have adjusted amounts reported previously in its financial statements prepared in accordance with its old basis of accounting ("UK GAAP"). An explanation of how the transition from UK GAAP to IFRS has affected the Group's and Company's financial position and financial performance is set out in the following tables as well as in the related footnotes.

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to IFRS (continued)

Balance sheet at 31 December 2014 Group

	Note	UK GAAP £ 000	Remeasurement £ 000	IFRS £ 000
Fixed assets				
Tangible fixed assets		365,199	-	365,199
Current assets				
Trade and other receivables	ii	43,003	-	43,003
Inventories		753	-	753
Income tax asset		242	-	242
Cash at bank and in hand		9,978	-	9,978
		<u>53,976</u>	<u>-</u>	<u>53,976</u>
Creditors: Amounts falling due within one year		(61,580)	-	(61,580)
Net current liabilities		<u>(7,604)</u>	<u>-</u>	<u>(7,604)</u>
Total assets less current liabilities		357,595	-	357,595
Creditors: Amounts falling due after more than one year	i	(270,821)	(13,679)	(284,500)
Provisions for liabilities	ii	(40,996)	2,736	(38,260)
Net assets/(liabilities)		<u>45,778</u>	<u>(10,943)</u>	<u>34,835</u>
Capital and reserves				
Share capital		500	-	500
Cash flow hedging reserve	i & ii	-	(10,943)	(10,943)
Retained earnings		45,278	-	45,278
Shareholders' funds/(deficit)		<u>45,778</u>	<u>(10,943)</u>	<u>34,835</u>

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to IFRS (continued)

Balance sheet at 31 December 2013

Group

	Note	UK GAAP £ 000	Remeasurement £ 000	IFRS £ 000
Fixed assets				
Tangible fixed assets		392,891	-	392,891
Current assets				
Trade and other receivables		44,408	-	44,408
Cash at bank and in hand		14,359	-	14,359
		<u>58,767</u>	<u>-</u>	<u>58,767</u>
Creditors: Amounts falling due within one year		(53,587)	-	(53,587)
Net current assets		<u>5,180</u>	<u>-</u>	<u>5,180</u>
Total assets less current liabilities		<u>398,071</u>	<u>-</u>	<u>398,071</u>
Creditors: Amounts falling due after more than one year	i	(288,627)	(11,071)	(299,698)
Provisions for liabilities	ii	(48,109)	2,214	(45,895)
Net assets/(liabilities)		<u>61,335</u>	<u>(8,857)</u>	<u>52,478</u>
Capital and reserves				
Share capital		500	-	500
Cash flow hedging reserve	i & ii	-	(8,857)	(8,857)
Retained earnings		60,835	-	60,835
Shareholders' funds/(deficit)		<u>61,335</u>	<u>(8,857)</u>	<u>52,478</u>

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to IFRS (continued)

Balance sheet at 31 December 2014 Company

	Note	UK GAAP £ 000	Remeasurement £ 000	IFRS £ 000
Fixed assets				
Investments		126,700	-	126,700
Current assets				
Debtors - amounts falling due within one year		242,904	-	242,904
Debtors - amounts falling due after more than one year	ii	-	2,736	2,736
Cash at bank and in hand		9,784	-	9,784
		<u>252,688</u>	<u>2,736</u>	<u>255,424</u>
Creditors: Amounts falling due within one year		(55,585)	-	(55,585)
Net current assets		<u>197,103</u>	<u>2,736</u>	<u>199,839</u>
Total assets less current liabilities		<u>323,803</u>	<u>2,736</u>	<u>326,539</u>
Creditors: Amounts falling due after more than one year	i	(270,821)	(13,679)	(284,500)
Net assets/(liabilities)		<u>52,982</u>	<u>(10,943)</u>	<u>42,039</u>
Capital and reserves				
Share capital		500	-	500
Cash flow hedging reserve	i & ii	-	(10,943)	(10,943)
Retained earnings		52,482	-	52,482
Shareholders' funds/(deficit)		<u>52,982</u>	<u>(10,943)</u>	<u>42,039</u>

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to IFRS (continued)

Balance sheet at 31 December 2013

Company

	Note	UK GAAP £ 000	Remeasurement £ 000	IFRS £ 000
Fixed assets				
Investments		126,700	-	126,700
Current assets				
Debtors - amounts falling due within one year		251,825	-	251,825
Debtors - amounts falling due after more than one year	ii	-	2,214	2,214
Cash at bank and in hand		14,182	-	14,182
		<u>266,007</u>	<u>2,214</u>	<u>268,221</u>
Creditors: Amounts falling due within one year		(47,843)	-	(47,843)
Net current assets		<u>218,164</u>	<u>2,214</u>	<u>220,378</u>
Total assets less current liabilities		<u>344,864</u>	<u>2,214</u>	<u>347,078</u>
Creditors: Amounts falling due after more than one year	i	(288,627)	(11,071)	(299,698)
Net assets/(liabilities)		<u>56,237</u>	<u>(8,857)</u>	<u>47,380</u>
Capital and reserves				
Share capital		500	-	500
Cash flow hedging reserve	i & ii	-	(8,857)	(8,857)
Retained earnings		55,737	-	55,737
Shareholders' funds/(deficit)		<u>56,237</u>	<u>(8,857)</u>	<u>47,380</u>

GLID Wind Farms TopCo Limited

Notes to the Financial Statements for the Year Ended 31 December 2015 (continued)

28 Transition to IFRS (continued)

Consolidated Profit and loss account for the year ended 31 December 2014

	UK GAAP £ 000	Remeasurement £ 000	IFRS £ 000
Turnover	63,550	-	63,550
Cost of sales	<u>(31,427)</u>	<u>-</u>	<u>(31,427)</u>
Gross profit	32,123	-	32,123
Administrative expenses	<u>(22,700)</u>	<u>-</u>	<u>(22,700)</u>
Operating profit	9,423	-	9,423
Finance income	127	-	127
Finance cost	<u>(27,555)</u>	<u>-</u>	<u>(27,555)</u>
Loss before income tax	(18,005)	-	(18,005)
Income tax credit	<u>2,448</u>	<u>-</u>	<u>2,448</u>
Loss for the financial year	<u>(15,557)</u>	<u>-</u>	<u>(15,557)</u>

On transition to IFRS the balances and transactions affected are:

Notes:

(i) The Group entered into interest rate swaps covering seventy five percent of the interest rate exposure on its external loan. The remaining twenty five percent was subject to variations and was calculated based on 6 month LIBOR.

Previously the Group took the exemption allowed under FRS 26 "Financial instruments: Recognition and measurement" meaning that no accounting entries were required until contractual payments were made.

However, for internal reporting the Group adopted IAS 39 "Financial instruments: Recognition and measurement" and cash flow hedge documentation was prepared from inception for these interest rate swaps. On transition to IFRS the internal reporting and documentation has been adopted within these financial statements, resulting in the derivatives being subject to a mark-to-market valuation on transition and at each balance sheet date and included within creditors falling due after more than one year, with the resulting gain or loss recorded in equity within the cash flow hedge reserve. The change in fair value of the cash flow hedging instruments is recorded in other comprehensive income.

(ii) In addition, where adjustments on transition to IFRS have affected asset or liability values, then these entries have also been tax-effected in line with IFRS.

On transition the deferred tax balance will be updated in the opening statement of financial position, with the gain or loss recorded directly in equity.

For movements in the year the deferred tax treatment follows the treatment of the item to which it relates, with deferred tax on the mark-to-market of the interest rate swap cash flow hedge recorded in other comprehensive income and the deferred tax movement on these liabilities included within provisions in the statement of financial position.