Mynydd Portref Holdings Limited

Directors' Report and

Audited Consolidated Financial Statements For The Year Ended 31 December 2018

Contents of the Consolidated Financial Statements
For The Year Ended 31 December 2018

Mynydd Portref Holdings Limited

Company Information
For The Year Ended 31 December 2018

Directors:	J K Rhodes-Journeay S C Tetot
Registered office:	C/O Reg White Limited Beaufort Court Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
Registered number:	08177747 (England and Wales)
Independent auditors:	Deloitte LLP Statutory Auditor 110 Queen Street Glasgow United Kingdom G1 3BX
Bankers:	HSBC 3 Rivergate Temple Quay Bristol BS1 6ER

Mynydd Portref Holdings Limited

Directors' Report
For The Year Ended 31 December 2018

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2018.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Further information on the basis of preparation of these financial statements and the going concern assumption can be found in note 2.

Principal activity
The principal activity of the Group in the period under review was the construction and subsequent operation of the 12MW wind farm at Mynydd Portref in Rhondda Cynon Taf. The project achieved the commercial operations date on 28 April 2017 and is considered to be operational since then. The operation of the wind farm will continue to be the principal activity of the Group. Mynydd Portref Holdings Limited serves as a holding company for the subsidiary company which owns and operates the wind farm.

Dividends
The profit during the year ended 31 December 2018 was £49,798 (31 December 2017: £(11,696) loss).

The directors paid interim dividends of £74,654 in the period (31 December 2017: £nil).

The directors have not recommended payment of a final dividend (31 December 2017: £nil).

Directors
The directors who have held office during the period from 1 January 2018 to the date of this report are as follows:

P G Raftery - resigned 19 December 2018
C D K Reid - resigned 19 December 2018
J K Rhodes-Journeay - appointed 19 December 2018
S C Tetot - appointed 19 December 2018

Going concern
The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.
Further details regarding the adoption of the going concern basis can be found in note 2 of the Accounting Policies.

Risks and uncertainties
The Company is exposed to fluctuations in UK power prices. The company seeks to manage the volatility in power prices by fixing prices at least six months in advance whenever possible.

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

Mynydd Portref Holdings Limited

Directors' Report
For The Year Ended 31 December 2018

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Auditors

The auditors, Deloitte LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the board:

....

S C Tetot - Director

Date: 23 September 2019

Mynydd Portref Holdings Limited

Statement of Directors' Responsibilities
For The Year Ended 31 December 2018

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group'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.

Independent Auditors' Report to the Members of Mynydd Portref Holdings Limited

Report on the audit of the financial statements

Opinion
In our opinion the financial statements of Mynydd Portref Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated profit and loss account;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern
We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Independent Auditors' Report to the Members of
Mynydd Portref Holdings Limited

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditors' Report to the Members of
Mynydd Portref Holdings Limited

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Mitchell (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow
23 September 2019

Mynydd Portref Holdings Limited

Consolidated Income Statement
For The Year Ended 31 December 2018

	Notes	2018 £	2017 £
Turnover	3	3,163,669	1,682,641
Cost of sales		(1,929,678)	(1,251,318)
Gross profit		1,233,991	431,323
Administrative expenses		(2,132)	(5,345)
Operating profit	4	1,231,859	425,978
Interest payable and similar expenses		(776,656)	(520,439)
Profit/(loss) before taxation		455,203	(94,461)
Tax on profit/(loss)		(405,405)	82,765
Profit/(loss) for the financial year		49,798	(11,696)
Profit/(loss) attributable to: Owners of the parent		49,798	(11,696)

Mynydd Portref Holdings Limited (Registered number: 08177747)

Consolidated Balance Sheet
31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible fixed assets	6	20,068,057	20,791,288
Investments	7	-	-
		20,068,057	20,791,288
Current assets			
Debtors	8	1,056,682	1,962,243
Cash at bank		702,974	1,215,142
		1,759,656	3,177,385
Creditors			
Amounts falling due within one year	9	(21,279,256)	(23,519,684)
Net current liabilities		(19,519,600)	(20,342,299)
Total assets less current liabilities		548,457	448,989
Provisions for liabilities	11	(570,656)	(446,332)
Net (liabilities)/assets		(22,199)	2,657
Capital and reserves			
Called up share capital		1	1
Retained earnings		(22,200)	2,656
		(22,199)	2,657

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 23 September 2019 and were signed on its behalf by:

....
S C Tetot - Director

The notes on pages 13 to 24 form part of these financial statements

Mynydd Portref Holdings Limited (Registered number: 08177747)

Company Balance Sheet
31 December 2018

	Notes	2018 £	2017 £
Fixed assets			
Tangible fixed assets	6	-	-
Investments	7	1	1
		1	1
Current assets			
Debtors	8	1	1
Creditors			
Amounts falling due within one year	9	(1)	(1)
Total assets less current liabilities		1	1
Capital and reserves			
Called up share capital		1	1
		1	1
Company's profit for the financial year		74,654	-

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 23 September 2019 and were signed on its behalf by:

....

S C Tetot - Director

The notes on pages 13 to 24 form part of these financial statements

Mynydd Portref Holdings Limited

Consolidated Statement of Changes in Equity
For The Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	1	14,352	14,353
Changes in equity			
Total comprehensive loss	-	(11,696)	(11,696)
Balance at 31 December 2017	1	2,656	2,657
Changes in equity			
Dividends	-	(74,654)	(74,654)
Total comprehensive income	-	49,798	49,798
Balance at 31 December 2018	1	(22,200)	(22,199)

The notes on pages 13 to 24 form part of these financial statements

Mynydd Portref Holdings Limited

Company Statement of Changes in Equity
For The Year Ended 31 December 2018

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2017	1	-	1
Changes in equity			
Balance at 31 December 2017	1	-	1
Changes in equity			
Dividends	-	(74,654)	(74,654)
Total comprehensive income	-	74,654	74,654
Balance at 31 December 2018	1	-	1

The notes on pages 13 to 24 form part of these financial statements

1. General information

Mynydd Portref Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1A small entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements apply the July 2015 amendments to FRS 102. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior financial period.

Section 1A for small companies has been applied on the basis that the entity meets the criteria set out within the Companies Act. The directors believe the entity is part of an eligible group on the basis that the ultimate controlling party is not listed on any market.

The Company has taken advantage of the exemptions available to small entities under section 1A in relation to presentation of a cash flow statement and disclosures of net finance charge, current taxation, financial instruments, share capital and reserves.

The financial statements are prepared under the historical cost convention, except for the modification to a fair value basis for certain financial instruments as specified in the accounting polices below.

Going concern

The financial statements have been prepared on the basis the Company is a going concern, which the directors consider appropriate.

The directors have separately reviewed integrated forecasts for the Company, for the foreseeable future, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital.

The directors have written confirmation that RI Income UK Holdings Limited intends to continue to financially support the Company during the 12 months following the date the financial statements are signed.

2. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements.

Deferred taxation
Deferred tax assets are only recognised when management deem that it is highly probable that there will be sufficient taxable profits in future periods which can utilise the deferred tax asset.

Operating lease commitments
The classification of leases as operating or finance leases requires the Company to determine, based on evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires recognition on the balance sheet.

Decommissioning provision
Liabilities for decommissioning costs are recognised when the Company has an obligation to decommission and restore the land, with which the project has been built upon, to its original state. The obligation is assessed annually for changes in estimated costs which are then discounted to their net present value. If the net present value is deemed to be immaterial then no provision is recognised.

2. Accounting policies - continued

Turnover
Turnover represents the value of power generated during the year, excluding value added tax, in the UK.

Turnover recognition
Turnover is recognised when the significant risks and rewards are considered to have transferred to the buyer and is recorded at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before turnover is recognised:

a) Generation and embedded benefits turnover
Turnover from the sale of electricity represents the invoice value, pre sales tax, of electricity provided to third parties and is recognised when electricity is generated. Embedded benefits are paid to generating plant located on the distribution network to reflect the lower cost of transporting electricity to the end user and are recorded at the invoice value.

b) TRIADS turnover
Turnover from the sale of TRIADS (bonus for generating at peak demand times during the winter months) represents the invoice value, before sales tax, of TRIADS provided to third parties and is recognised when eligible electricity is generated.

c) ROCs turnover
Renewable Obligation Certificates (ROCs) are issued to qualifying renewable generators under the terms of the generating station's OFGEM Renewable Obligation registration. These certificates may be traded separately from the electricity to which they relate. The ROCs are recorded as accrued income at fair value and recognised in turnover when the electricity to which they relate is generated. Any impairment of ROCs due to reduction in the market price is recorded in profit and loss.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- Straight line over 20 years

Plant and machinery is stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met, but excludes the costs of day-to-day servicing which is expensed as incurred.

Assets in the course of constructional stated at cost and are recognised only when it is probable that a project under development will be constructed by the Company. This decision is based on management judgement when the project meets key criteria required by its successful development, including planning permission and grid access. Assets in course of construction are transferred to fixed assets on the commercial operational date of 28 April 2017.

2. **Accounting policies - continued**

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

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

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

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

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

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

Impairment of assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets
An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

2. **Accounting policies - continued**
Impairment of assets - continued

Financial assets
For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interestrate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation
Current tax, including UK corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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

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

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax assets and liabilities are offset only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

2. **Accounting policies - continued**

Cash
Cash at bank and in hand on the balance sheet comprise cash in hand and deposits held at call with banks.

Restricted cash amounts comprise of cash balances held with banks that are only available to fund the capital expenditure of the wind farm construction.

Accrued income
Accrued income represents accruals for electricity generation and ROC income not yet billed.

Dividend distribution
Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by the Company's shareholders.

Decommissioning provision
Liabilities for decommissioning costs are recognised when the Company has an obligation to decommission and restore the land, with which the project has been built upon, to its original state. The obligation is assessed annually for changes in estimated costs which are then discounted to their net present value. If the net present value is deemed to be immaterial then no provision is recognised.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated plant and equipment 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 plant and equipment. Unwinding of the discount on the provision is included in the income statement within interest expense.

2. Accounting policies - continued

Operating leases
Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Borrowing costs
Borrowing costs are generally expensed as incurred. Borrowing costs that are directly attributable to the construction of an asset are capitalised while the asset is being constructed as part of the cost of that asset. Capitalisation of borrowing costs commences when:
- Expeditures for the asset and borrowing costs are being incurred; and
- Activities necessary to prepare the asset for its intended use are in progress.

Capitalisation ceases when the asset is substantially ready for its intended use or sale. For borrowings associated with a specific asset, the actual rate on that borrowing is used.

Foreign currency translation
Transactions in foreign currencies, which are not subject to hedge relationship, are initially recorded in the functional currency rate ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date, with movements in the sterling equivalent of the balance being taken to the profit and loss account

Investments
Fixed asset investments are stated at cost less any provision for impairment.

3. Turnover

The turnover and profit (2017 - loss) before taxation are attributable to the one principal activity of the Group.

4. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Rentals under operating lease	154,171	110,236
Depreciation - owned assets	1,083,437	681,739
Auditor's remuneration - auditing of financial statements	6,816	5,025

5. Individual income statement

The result of the Company for the financial year has been included within the Company balance sheet.

6. Tangible fixed assets

Group

	Plant and machinery £
Cost	
At 1 January 2018	21,473,027
Additions	497,955
Disposals	(148,250)
At 31 December 2018	21,822,732
Depreciation	
At 1 January 2018	681,739
Charge for year	1,083,437
Eliminated on disposal	(10,501)
At 31 December 2018	1,754,675
Net book value	
At 31 December 2018	20,068,057
At 31 December 2017	20,791,288

7. Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2018 and 31 December 2018	1
Net book value	
At 31 December 2018	1
At 31 December 2017	1

Investments are directly owned 100% holdings of the ordinary share capital of one subsidiary, Mynydd Portref Limited. This subsidiary is incorporated in the United Kingdom with the principal activity in the period being the operation of a wind farm.

8. Debtors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	97,367	-	-	-
Amounts owed by group undertakings	-	346,453	-	-
Other debtors	167,034	257,991	-	-
VAT	-	65,414	-	-
Called up share capital not paid	2	2	1	1
Accrued income	589,708	1,091,659	-	-
Prepayments	202,571	200,724	-	-
	1,056,682	1,962,243	1	1

Within amounts owed to group companies is an amount of £nil (31 December 2017: £30,000) owed by Hale Farm Solar, an amount of £nil (31 December 2017: £4,718) owed by Brackagh Quarry Windfarm, an amount of £nil (31 December 2017: £26,526) owed by French Farm and the remaining balance relates to intercompany group relief estimates of £nil (31 December 2017: £285,209).

All of the above amounts are short-term, interest free and are payable on demand.

9. Creditors: amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade creditors	11,981	647,812	-	-
Amounts owed to group undertakings	20,705,189	22,273,691	1	1
VAT	118,770	-	-	-
Other creditors	-	21,825	-	-
Accruals and deferred income	443,316	576,356	-	-
	21,279,256	23,519,684	1	1

9. Creditors: amounts falling due within one year - continued

Amounts owed to group companies are repayable on demand.

Within amounts owed to group companies is an interest free amount of £5,929,147 owed to RI Income UK Holdings Limited (31 December 2017: £5,929,147), an interest bearing amount of £12,730,123 owed to BRI UK Finance Limited (31 December 2017: £13,462,154) and short term intercompany balances owed to another group companies of £2,045,918 (31 December 2017: £2,882,389).

Included within the interest bearing amount is an interest charge for the year of £471,160 (31 December 2017: £1,203,191).

	31/12/2018	31/12/2017
Amounts owed to another group companies:	£	£
Denzell Downs Limited	-	27,471
Chalgrove Solar Limited	-	30,000
Mynydd Brombil Limited	2,045,918	2,824,918
	2,045,918	2,882,389

10. Leasing agreements

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	68,046	69,894
Between one and five years	272,185	279,577
In more than five years	1,357,930	1,467,772
	1,698,161	1,817,243

11. Provisions for liabilities

	Group 2018 £	Group 2017 £
Deferred tax		
Accelerated capital allowances	326,528	301,980
Tax losses carried forward	-	(95,648)
	326,528	206,332
Other provisions		
Decommissioning provision	244,128	240,000
Aggregate amounts	570,656	446,332

Group

	Deferred tax £	Decommissioning provision £
Balance at 1 January 2018	206,332	240,000
Unwinding of discounted amount	-	4,128
Charge to Income Statement during year	120,196	-
Balance at 31 December 2018	326,528	244,128

12. Ultimate parent company

The ultimate parent undertaking in this group is considered to be Renewable Income UK, a sub-fund of Blackrock Infrastructure Funds Public Limited Company, an investment company registered in Ireland which accounts for investments at fair value and does not prepare consolidated financial statements.

The immediate parent company as at 31 December 2018 is RI Income UK Holdings Limited, an investment company registered in England & Wales which accounts for investments at fair value and does not prepare consolidated financial statements. The financial statements are available from the registered office at 12 Throgmorton Avenue, London, EC2N 2DL.

13. Off-balance sheet arrangements

The Company enters into operating lease arrangements for the land on which the wind farm is located. The Company's lease rental expense is disclosed in note 5 and the Company commitments under these arrangements are disclosed in note 10. There are no other material off-balance sheet arrangements.

14. Related party disclosures

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.