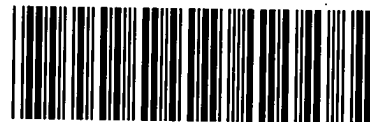


BILSTHORPE WIND FARM LIMITED

**DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2014**

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COMPANIES HOUSE

Registered Number 07431004

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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DIRECTORS AND ADVISORS

Directors

A K Harmer	(resigned 3 April 2014)
D M Hardy	(appointed 3 April 2014)
J M Linney	(appointed 27 January 2015)
R McArthur	(resigned 27 January 2015)

Company secretary and registered office

Teresa Hedges
1 Kingsway
London
WC2B 6AN

Auditor

Deloitte LLP
Chartered Accountants & registered auditor
London

Principal bankers

HSBC
60 Queen Victoria Street
London
EC4N 4TR

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the year ended 31 December 2014.

The Director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. No strategic report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Company is a wholly owned subsidiary of Bilsthorpe Wind Farm Holdings Limited which in turn is a wholly owned subsidiary of John Laing Environmental Assets Group (UK) Limited. On 3 April 2014 John Laing Environmental Assets Group (UK) Limited acquired 100% of the shares in Bilsthorpe Wind Farm Holdings Limited, the parent company, from the previous owners John Laing Investments Limited.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company's principal activity is the design, build, financing and operation of a wind farm consisting of 5 x 2MW turbines in Nottinghamshire. Financial Close was achieved on 13 August 2012 and the wind farm became fully operational in June 2013. The license period is 25 years.

On 3 April 2014, following the sale to John Laing Environmental Assets Group (UK) Limited, a capital restructure took place. The Company had £8,348,497 subordinated debt owed to John Laing Investments Limited, which was acquired by John Laing Environmental Assets Group (UK) Limited. Following the acquisition, £4,924,494 of this debt together with the accrued interest of £218,171, was converted to share capital (see note 12).

Immediately following the sale of shares in Bilsthorpe Wind Farm (Holdings) Limited to John Laing Environmental Assets Group (UK) Limited, Bilsthorpe Wind Farm Limited repaid the full amount of the outstanding bank debt on 3 April 2014.

The Company is in a net current liability position as at 31 December 2014. The Directors have reviewed the Company's forecasts and projections, taking into account reasonable possible changes in environmental conditions, in addition to wind turbine and counterparty performance which shows that the Company can continue to meet its debts as they fall due. More information is provided in note 1 to the financial statements.

FUTURE DEVELOPMENTS

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

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a number of financial risks including credit risk and cash flow risk.

Cash flow risk: The Group's borrowings have limited exposure as all borrowings are fixed interest loans.

Credit Risk: The Group's principal financial assets are cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables which are with one counterparty.

Liquidity Risk: Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its obligations as they fall due. There are no fixed repayments required on subordinated debt and the Company's liquidity is monitored on a daily basis.

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

Wind / energy yield risk: The Group has, in preparing the project, engaged consultants to assess long term wind predictions and consequent energy yield for the given turbines. It is recognised that while best practice methodologies were used, there still remains a risk that wind and energy yield may be less (or more) than modelled. The project was financed on an assumption that realistic downsides when modelled would not materially jeopardise the project. The Group will monitor performance against plan from start of operations.

DISCLOSURE OF INFORMATION TO THE AUDITOR

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 auditor is unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who served throughout the year, except as noted, are shown on page 1.

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

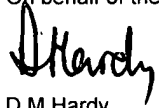
EMPLOYEES

Details of the number of employees and related costs can be found in note 6 to the financial statements on page 10.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Deloitte LLP will therefore continue in office.

On behalf of the Board



D M Hardy
Director

21 September 2015

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BILSTHORPE WIND FARM LIMITED

We have audited the financial statements of Bilsthorpe Wind Farm Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Simon Grant (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

21 September 2015

BILSTHORPE WIND FARM LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	1,911,888	918,447
Cost of Sales		<u>(446,393)</u>	<u>(182,106)</u>
Gross profit		1,465,495	736,341
Other income	3	136,060	
Administrative expenses		<u>(799,155)</u>	<u>(369,925)</u>
Operating profit	4	802,400	366,416
Net interest payable	7	(1,267,050)	(662,152)
Loss on ordinary activities before taxation		<u>(464,650)</u>	<u>(295,736)</u>
Tax on loss on ordinary activities	8	168,785	189,523
Loss for the year	17	<u>(295,865)</u>	<u>(106,213)</u>

A reconciliation of movements in shareholders funds is given in note 18.

All items in the profit and loss account relate to continuing operations.

There is no material difference between the results stated in the profit and loss account and their historical cost equivalents.

All gains and losses are recognised in the profit and loss account in the current year and preceding period, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8-14 form part of these financial statements.

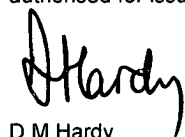
BILSTHORPE WIND FARM LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible fixed assets	9	15,904,861	15,506,844
Current assets			
Debtors		847,756	902,834
- due within one year	10	489,448	713,311
- due after more than one year	10	358,308	189,523
Cash at bank and in hand		104,370	1,472,404
		<u>952,126</u>	<u>2,375,238</u>
Current liabilities			
Creditors: amounts falling due within one year	11	(1,069,784)	(1,123,720)
Net current (liabilities) / assets		<u>(117,658)</u>	<u>1,251,518</u>
Total assets less current liabilities		15,787,203	16,758,362
Creditors: amounts falling due after more than one year	11	(11,896,458)	(16,972,381)
Provisions for liabilities	13	(302,052)	(32,732)
Net assets / (liabilities)		<u>3,588,693</u>	<u>(246,751)</u>
Capital and reserves			
Called up share capital	16	4,132,309	1,000
Profit and loss account	17	(543,616)	(247,751)
Shareholder's funds / (deficit)	18	<u>3,588,693</u>	<u>(246,751)</u>

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

The financial statements of Bilsthorpe Wind Farm Limited, registered number 07431004, were approved by the Board of Directors and authorised for issue on 21 September 2015. They were signed on its behalf by:



D M Hardy
Director

21 September 2015

The notes on pages 8-14 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2014

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout the current and preceding year is shown below.

The Company is a wholly owned subsidiary undertaking of Bilsthorpe Wind Farm (Holdings) Limited and as such is exempt under FRS1 (revised 1996) from the requirement to prepare its own cash flow statement.

The current economic conditions create some uncertainty with respect to the ability of key sub-contractors to continue to meet contractual commitments

The Directors have also considered the ability of customers to continue to pay amounts due to the Company under the Power Purchase Agreement and do not consider this to be a material risk.

The Company's forecasts and projections, taking account of reasonably possible changes in environmental conditions, wind turbines and counterparty performance, show that the Company expects to be able to continue to operate and be profitable in the future despite currently being loss making.

After making these enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future despite currently being in a net current liability position. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

b) Turnover

Turnover represents income under the Power Purchase Agreement, Renewable Obligation Certificates and other revenue streams in relation to the generation of electricity. Turnover is net of VAT and is entirely derived in the United Kingdom. Turnover is recognised at the time the electricity is generated.

c) Taxation

Current tax, including United Kingdom Corporation tax and foreign 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.

In accordance with FRS19 'Deferred Tax', deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are not discounted.

d) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery 25 years

e) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

f) Finance costs

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

Notes to the financial statements for the year ended 31 December 2014

ACCOUNTING POLICIES (continued)

- g) Cash
Cash comprises cash at bank and in hand and short term deposits with original maturity of less than three months.
- h) Financial Instruments
The Company uses financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.
- i) Debt issue costs
Costs incurred following the issue of debt are held on the balance sheet offset against debt within creditors and charged to the profit and loss account over the period that the relevant debt is held.
- j) Decommissioning costs
The Company is liable for decommissioning costs at the end of the licence period to return the wind farm site to its original state and condition. The key assumptions for the value in use calculations are those regarding the discount rates, inflation rates and expected costs. There is uncertainty at the present time about the exact timing and quantum of these costs. A provision for decommissioning has been recognised based on the Directors' best estimate of the decommissioning obligation. The estimated future cash outflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money. Changes to the estimated costs for decommissioning have been adjusted against the fixed asset.

BILSTHORPE WIND FARM LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

2 TURNOVER

	2014	2013
	£	£
Turnover in the year is analysed as follows:		
Levy Exemption Certificate Revenue	90,076	42,686
Power Purchase Agreement Revenue	1,015,819	476,990
Renewable Obligation Certificate Buy Out	805,993	362,520
Renewable Obligation Certificate Recycle	-	36,251
	<u>1,911,888</u>	<u>918,447</u>

3 OTHER INCOME

	2014	2013
	£	£
Delay damages	136,060	-
	<u>136,060</u>	<u>-</u>

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

4 OPERATING PROFIT

	2014	2013
	£	£
Operating profit is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company	10,376	3,565
Fees payable to the Company's auditors for the audit of parent company	2,655	2,655
Payments under operating lease (note 15)	49,256	89,441
Depreciation Charge (note 9)	649,085	251,363

There were no fees for non-audit services in the current or preceding year.

5 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current or prior year. The Company is managed by secondees from the shareholders under a management services contract.

6 STAFF NUMBERS

The Company had no employees during the current year (2013: nil).

7 NET INTEREST PAYABLE

	2014	2013
	£	£
Interest receivable and similar income		
Interest receivable on bank deposits	2,408	2,007
Interest receivable on swap breakage	204,040	-
	<u>206,448</u>	<u>2,007</u>
Interest payable and similar charges		
Interest payable on bank loans and overdrafts	(128,197)	(549,341)
Interest payable to parent undertakings	(888,782)	(527,535)
Amortised debt issue costs	(455,368)	(24,504)
Unwinding of discount on provision	(1,151)	(1,111)
Capitalised interest	-	438,332
	<u>(1,473,498)</u>	<u>(664,159)</u>
Net interest payable	<u>(1,267,050)</u>	<u>(662,152)</u>

Interest receivable in 2014 is in relation to the breakage of the swap.

8 TAX ON LOSS ON ORDINARY ACTIVITIES

	2014	2013
	£	£
<u>Analysis of charge for the year</u>		
Deferred tax		
Current period	85,697	220,321
Changes to tax rates and laws	(5,979)	(30,798)
Prior year adjustments	89,067	-
Total deferred tax	<u>168,785</u>	<u>189,523</u>
Total tax charge on loss on ordinary activities	<u>168,785</u>	<u>189,523</u>

Notes to the financial statements for the year ended 31 December 2014 (continued)

8 TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Factors affecting the tax charge for the current year

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2014 £	2013 £
Loss for the year	(464,650)	(295,736)
Loss on ordinary activities multiplied by the blended rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	99,900	68,759
Effects of:		
Origination and reversal of timing differences	238,812	(62,914)
Expenses not deductible for tax purposes	(14,203)	(5,845)
Tax losses recognised for deferred tax purposes	(324,509)	-
Total current tax for the year	-	-

For the year ended 31 December 2014, the blended UK rate of 21.5% is applied due to the change in the UK corporation tax rate from 23% to 21% with effect from 1 April 2014.

In the 2013 Budget (delivered on 20 March 2013), it was announced that the main rate of corporation tax for UK companies would reduce to 21% from 1 April 2014, and then reduce further to 20% from 1 April 2015. These future reductions in the main rate of corporation tax to 21% and then to 20% were substantively enacted for financial reporting purposes on 2 July 2013. The reduced rate of 20% has therefore been reflected in the calculation of deferred tax at the balance sheet date.

9 TANGIBLE FIXED ASSETS

	Plant and Equipment
Cost	
At 1 January 2014	15,758,207
Additions	1,047,102
At 31 December 2014	16,805,309
Accumulated Depreciation	
At 1 January 2014	251,363
Charge for the year	649,085
At 31 December 2014	900,448
Net book value	
At 31 December 2014	15,904,861
At December 2013	15,506,844

Following a review of the decommissioning provision in the year, the Directors have reassessed the estimated costs anticipated on decommissioning with the adjustment of £268,629 (2013 - £31,621) included in additions within the carrying value of tangible fixed assets. Other additions relate to the closing out of construction contracts.

10 DEBTORS

	2014 £	2013 £
Due within one year:		
Prepayments and accrued income	467,760	629,910
Trade debtors	-	68,526
Other taxation and social security	21,688	14,875
	489,448	713,311
Due after more than one year:		
Deferred tax asset	358,308	189,523
	358,308	189,523

Notes to the financial statements for the year ended 31 December 2014 (continued)

11 CREDITORS

	2014 £	2013 £
Amounts falling due within one year		
Bank loan (note 12)	-	483,801
Less: Unamortised debt issue costs	-	(62,415)
Amounts owed to parent undertaking (note 12)	266,234	408,667
Amounts owed to group undertakings (note 12)	632,607	-
Trade creditors	18,521	155,162
Contractor retentions	39,241	39,241
Accruals and deferred income	113,181	99,264
	1,069,784	1,123,720
	2014 £	2013 £
Amounts falling due after more than one year		
Bank loan (note 12)	-	9,016,837
Less: Unamortised debt issue costs	-	(392,953)
Amounts owed to parent undertaking (note 12)	3,257,652	8,348,497
Amounts owed to group undertakings (note 12)	8,638,806	-
	11,896,458	16,972,381
	2014 £	2013 £
Analysis of debt:		
Debt can be analysed as falling due:		
In one year or less	898,841	892,468
Between one and two years	943,895	640,887
Between two and five years	3,633,298	1,939,026
In five years or more	7,319,265	14,785,421
	12,795,299	18,257,802
Unamortised debt issue costs	-	(455,368)
	12,795,299	17,802,434

12 LOANS

Bank loans

The Company had an initial term loan facility of £10,128,077 of which £9,465,077 was drawn down at 31 December 2013. A further £500,000 was drawn down during the year. The remaining £163,000 relating to a bonus payment that is no longer payable was cancelled. A repayment of £214,505 was made on 31 March 2014 in line with the terms of the Facility Agreement. On 3 April 2014 the remaining drawn balance of £9,750,572 was repaid in full following the sale of the shares in Bilsthorpe Wind Farm (Holdings) Limited, the parent company. This was replaced by a loan from the new shareholder, John Laing Environmental Assets Group (UK) Limited, via the parent company.

As part of the same transaction the interest rate swap, maturing on 31 March 2026, was broken. The breakage of the swap was settled at market value and as a result the Company received £204,040 (note 7).

As a result of the termination of the loan, the unamortised debt issue costs of £455,368 were expensed to the profit and loss account (note 7).

From 1 January 2014 to 3 April 2014, the date of sale of the shares in Bilsthorpe Wind Farm (Holdings) Limited, the parent company, the interest charged on the bank loan was £92,727 (2013: £188,700).

Principal Loan

On 3 April 2014 the Company entered into a Principal Loan agreement with the new shareholder, John Laing Environmental Assets Group (UK) Limited, for the amount of £9,785,495 via the issue of unsecured principal debt fixed rate loan notes repayable in instalments by 31 March 2026, bearing an interest rate of 5.51%, stepping up to 5.61% on 1 April 2018. Interest is payable quarterly. During the period from 3 April 2014 to 31 December 2014, the interest charged on the principal loan was £390,919 (2013: £nil)

During the year the Company made repayments of £514,082 and the relating loan notes were cancelled. The outstanding balance of the loan at 31 December 2014 is £9,271,413 (2013: nil) of which £632,607 is due within one year. There was no accrued interest outstanding at 31 December 2014. (2013: £nil)

BILSTHORPE WIND FARM LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

12 LOANS (continued)

Subordinated debt

Subordinated debt of £8,052,432 was injected by the immediate parent company via the issue of £8,052,432 unsecured subordinated debt fixed rate loan notes due in June 2038, bearing an interest rate of 11% per annum. Interest of £286,065 had previously been added to the balance of the loan resulting in outstanding loan notes of £8,348,497 at 31 December 2013 of which £8,348,497 was due in more than one year.

On 3 April 2014 a repayment of £1,067,572, including £56,387 of accrued interest, was made. On the same date, immediately following the sale of the shares in the parent company, £3,913,309 of loan notes and £218,171 of accrued interest was converted to share capital via a capital restructure (note 16). A further loan repayment of £331,442 was made during the year and £165,090 unpaid accrued interest was added to the loan balance. During the year interest charged on subordinated debt was £497,863 (2013: £527,535). The outstanding subordinated debt balance at 31 December 2014 is £3,257,652 and accrued interest of £89,038 remains unpaid. The remaining loan repayments are made in instalments over the life of the loan.

13 PROVISION

	Decommissioning Provision
Provision	
At 1 January 2014	32,732
Unwinding of the discount	1,151
Change in estimate	268,169
At 31 December 2014	<u>302,052</u>
At 31 December 2013	<u>32,732</u>

The Company's decommissioning provision results from its obligation at the end of the licence period to return the wind farm site to its original state and condition. The Company has estimated the net present value of the decommissioning provision to be £302,052 as at 31 December 2014 (2013: £32,732) based on an undiscounted total future liability of £520,467. The discount factor, being the risk free rate related to the liability, was 2.39% as at 31 December 2014.

14 Deferred Tax

	Deferred tax £
Balance at 1 January 2014	189,523
Charge for the period	168,785
Balance at 31 December 2014	<u>358,308</u>

The movement in deferred taxation consists of the tax effect of timing differences in respect of:

	2014 £	2013 £
Prior year adjustment	89,067	-
Excess of taxation allowances over depreciation on fixed assets	(248,168)	616,532
Tax losses available	333,865	(396,211)
Change in tax rate	(5,979)	(30,798)
	<u>168,785</u>	<u>189,523</u>

15 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

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

At the balance sheet date, the Company had annual commitments in respect of land for minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2014 £	2013 £
More than 5 years	<u>16,800</u>	<u>21,358</u>

16 CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid:		
4,132,309 ordinary shares of £1 each	<u>4,132,309</u>	<u>1,000</u>

On 3 April 2014, following the sale of the shares in the parent company, a capital restructure took place whereby £3,913,138 of loan notes and £218,171 of accrued interest were converted to share capital at par (note 12).

BILSTHORPE WIND FARM LIMITED

Notes to the financial statements for the year ended 31 December 2014 (continued)

17 MOVEMENT IN RESERVES

Profit and
loss account
£

At 1 January 2014	(247,751)
Loss for the year	(295,865)
At 31 December 2014	<u>(543,616)</u>

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

2014
£

Loss for the year	(295,865)
New shares issued (note 16)	<u>4,131,309</u>
Net addition to shareholder's funds	<u>3,835,444</u>
Opening shareholder's deficit	(246,751)
Closing shareholder's funds	<u>3,588,693</u>

19 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Bilsthorpe Wind Farm (Holdings) Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the Bilsthorpe Wind Farm (Holdings) Limited group. Note 20 gives details of how to obtain a copy of the published financial statements of Bilsthorpe Wind Farm (Holdings) Limited.

	2014 £	2013 £
Laing Investments Management Services		
Management Services Agreement	11,008	43,774

Laing Investments Management Services is a subsidiary of John Laing Group plc, the ultimate controlling party until 3 April 2014.

On 3 April 2014, upon the sale of the shares in Bilsthorpe Wind Farm (Holdings) Limited, the parent company, Laing Investments Management Services Limited ceased to be a related party.

20 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is Bilsthorpe Wind Farm (Holdings) Limited, a company incorporated in Great Britain. The Company's ultimate parent and controlling entity is John Laing Environmental Assets Group Limited, a company incorporated in Guernsey, Channel Islands.

The smallest and largest group in which its results are consolidated is Bilsthorpe Wind Farm (Holdings) Limited. Copies of the consolidated accounts of Bilsthorpe Wind Farm (Holdings) Limited are available from Companies House.