

**Company Registration No. 07472494**

**South Sharpley Limited**  
**(formerly REG South Sharpley Limited)**

**Report and Financial Statements**  
**Period from 1 July 2012 to 31 December 2013**



# **South Sharpley Limited**

## **Officers and professional advisers**

### **Directors**

C Reid  
P Raftery

### **Bankers**

The Co-Operative Bank  
Balloon Way  
Manchester

### **Registered Office**

12 Throgmorton Avenue  
London  
EC2N 2DL

### **Independent auditor**

Deloitte LLP  
Chartered Accountants  
Global House  
High Street  
Crawley

# South Sharpley Limited

## Directors' report

The directors present their report on the affairs of the Company, together with the financial statements and auditor's report, for the 18 month period from 1 July 2012 to 31 December 2013.

On 23 January 2013, the Company's parent, Tranche 3 Holdings Limited, had its entire share capital purchased by Blackrock Renewables UK Limited and subsequently a number of resolutions were passed. New directors were appointed on the date of the transaction and following this, the accounting reference date was changed from 30 June to 31 December to bring it into line with the new parent company's accounting reference date. Finally the name was changed from REG South Sharpley Limited to South Sharpley Limited.

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 can be found in note 1.

### Principal activity

The principal activity of the Company in the period under review was that of the operation of the 6MW wind farm at South Sharpley in County Durham. This will continue to be the principal activity of the Company.

### Results and dividends

The profit for the period after taxation was £387,452 (2012: £(92,209)).

The directors do not recommend the payment of a dividend (2012: £nil).

### Directors

The directors, who served during the period and up to the date of this report, were as follows:

|             |                             |
|-------------|-----------------------------|
| A Whalley   | (resigned 23 January 2013)  |
| N Harris    | (resigned 23 January 2013)  |
| D Crockford | (resigned 23 January 2013)  |
| M Partridge | (resigned 23 January 2013)  |
| S Wannop    | (resigned 23 January 2013)  |
| C Reid      | (appointed 23 January 2013) |
| P Raftery   | (appointed 23 January 2013) |

### Risks and uncertainties

As outlined in note 1 to these financial statements the Company uses derivative financial instruments to manage the risk of interest rate movements on variable rate bank borrowings.

### Independent auditor and statement of provision of information to the independent auditor

Deloitte LLP has expressed their willingness to continue in office as auditor of the Company and a resolution to reappoint them will be proposed as the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board of Directors  
and signed on behalf of the Board



C Reid  
Director

3 June 2014

# **South Sharpley Limited**

## **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 judgments 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 South Sharpley Limited**

We have audited the financial statements of South Sharpley Limited for the period from 1 July 2012 to 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 16. 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 2013 and of its profit for the period 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 period 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 Directors were not entitled to take advantage of the small companies exemption in preparing the Director's report.



Matthew Coulson FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Crawley, United Kingdom

3 June 2014

## South Sharpley Limited

### Profit and loss account For the period ended 31 December 2013

|   | Notes | 1 July 2012 to<br>31 December<br>2013<br>£ | 1 July 2011 to<br>30 June<br>2012<br>£ |
|---|-------|--|--|
| <b>Turnover</b>   | 2     | 1,478,943                                  | -                                      |
| Cost of sales   |       | (664,101)                                  | -                                      |
| <b>Gross profit</b>   |       | 814,842                                    | -                                      |
| Administration expenses                                       |       | (14,000)                                   | -                                      |
| <b>Operating profit</b>                                       | 3     | 800,842                                    | -                                      |
| Net finance charge  | 4     | (310,309)                                  | (92,209)                               |
| <b>Profit / (loss) on ordinary activities before taxation</b> |       | 490,533                                    | (92,209)                               |
| Tax charge on profit on ordinary activities                   | 6     | (103,081)                                  | -                                      |
| <b>Profit / (loss) on ordinary activities after taxation</b>  | 13    | 387,452                                    | (92,209)                               |

All the results derive from continuing operations.

There are no further recognised gains and losses for the current financial period other than as stated in the profit and loss account and as a result no statement of total recognised gains and losses is given.

# South Sharpley Limited

## Balance sheet 31 December 2013

|  | Notes | 31 December<br>2013<br>£ | 30 June<br>2012<br>£ |
|--|-------|--------------------------|----------------------|
| <b>Fixed assets</b>  |       |                          |                      |
| Tangible assets  | 7     | 6,813,298                | 3,354,172            |
| <b>Current assets</b>  |       |                          |                      |
| Debtors  | 8     | 566,842                  | 71,332               |
| Restricted cash  |       | 277,000                  | 2,130,670            |
| Cash at bank and in hand                                       |       | 386,517                  | -                    |
|  |       | 1,230,359                | 2,202,002            |
| <b>Creditors: amounts falling due within one year</b>          | 9     | (470,877)                | -                    |
| <b>Net current assets</b>                                      |       | 759,482                  | 2,202,002            |
| <b>Creditors: amounts falling due after more than one year</b> | 10    | (7,173,456)              | (5,648,382)          |
| <b>Provisions for liabilities</b>                              | 11    | (103,081)                | -                    |
| <b>Net assets</b>  |       | 296,243                  | (92,208)             |
| <b>Capital and reserves</b>                                    |       |                          |                      |
| Called up share capital  | 12    | 1,000                    | 1                    |
| Profit and loss account  | 13    | 295,243                  | (92,209)             |
| <b>Shareholder's funds</b>                                     |       | 296,243                  | (92,208)             |

The financial statements of South Sharpley Limited, registered number 07472494 were approved by the board of directors and authorised for issue on 3 June 2014.



C Reid  
Director

# South Sharpley Limited

## Notes to the financial statements For the period ended 31 December 2013

### 1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial period.

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group.

#### Basis of preparation

The accounts have been prepared on the basis the Company is a going concern, which the directors' consider appropriate for the following reasons:

The directors have separately reviewed integrated forecasts for the Company, for a period in excess of 12 months from the date that these financial statements were approved, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due for the foreseeable future from cash flows from operations and existing working capital. The Company has received written confirmation that intergroup liabilities will not fall due within twelve months from the date these financial statements are approved.

This includes a formal review of covenant compliance for the life of the loan against the Company forecasts and there is significant headroom within the key variables before any breaches would arise.

#### Turnover

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

#### Revenue recognition

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. The following specific recognition criteria must also be met before revenue is recognised:

- a) **Generation revenue**  
Revenue 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.
- b) **TRIADS revenue**  
Revenue 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.



# South Sharpley Limited

## Notes to the financial statements For the period ended 31 December 2013

### 1. Accounting policies (continued)

#### Revenue recognition (continued)

##### c) ROCs, LECs revenue

Renewable Obligation Certificates (ROCs) are issued to qualifying renewable generators as evidence that a licensed electricity supplier has supplied qualifying electricity to their customers in Great Britain. These certificates may be traded separately from the electricity to which they relate. The ROCs are recorded as accrued income at cost when the electricity to which they relate is generated, and then are re-valued to fair value. This revaluation is recorded in the profit and loss account in revenue due to the linked nature of the generation of electricity to the issue of ROCs. As a result of the fact that these certificates may be traded separately from the electricity to which they relate, revenue may include an amount relating to un-realised ROC sales.

Renewable energy generators who meet Customs & Excise conditions for exemption will be issued with Levy Exemption Certificates (LECs) for their generation. The LECs transfer along with the electricity and can be used by business consumers to claim levy exemption.

#### Interest income

Revenue is recognised as interest accrues.

#### Tangible fixed assets

Operating wind sites are stated at cost, excluding the costs of day-to-day servicing, 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.

Assets in the course of construction are 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 for its successful development, including planning permission and grid access.

Depreciation is provided on all tangible fixed assets, other than freehold land, at the following annual rates in order to write off each asset over its estimated useful life.

|                      |   |          |
|----------------------|---|----------|
| Operating wind sites | - | 20 years |
|----------------------|---|----------|

#### Cash at bank and in hand

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

#### Restricted cash

Restricted cash amounts comprise of cash balances held with the banks that are not available to the Company at the balance sheet date. The funds are used to provide collateral against future debt service costs and scheduled operating costs as part of the Company's finance facilities.

#### Accrued income

Accrued income represents accruals for electricity income not yet billed.

# South Sharpley Limited

## Notes to the financial statements For the period ended 31 December 2013

### 1. Accounting policies (continued)

#### 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.

#### Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

#### Bank borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption are accounted for on an accruals basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period which they arise.

#### Borrowing costs

Borrowing costs are expensed as incurred.

#### Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company does not hold derivative financial instruments for speculative purposes. Hedge accounting has not been adopted in these financial statements.

### 2. Turnover

The total turnover of the Company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

# South Sharpley Limited

## Notes to the financial statements For the period ended 31 December 2013

### 3. Operating profit

|   | 1 July 2012<br>to 31<br>December<br>2013<br>£ | 1 July 2011<br>to 30<br>June<br>2012<br>£ |
|---|---|---|
| <b>Operating profit is stated after charging:</b> |   |   |
| Depreciation                                      | 326,468                                       | -   |
| Auditor's remuneration:<br>Audit fees             | 14,000  | -   |
|   | <u>          </u>                             | <u>          </u>                         |

### 4. Net finance charge

|                                | 1 July 2012<br>to 31<br>December<br>2013<br>£ | 1 July 2011<br>to 30<br>June<br>2012<br>£ |
|--------------------------------|---|---|
| Foreign exchange (gain) / loss | (67,571)                                      | 92,209                                    |
| Loan interest                  | 314,796                                       | -   |
| Amortisation of finance costs  | 53,609  | -   |
| Bank charges                   | 9,475   | -   |
|                                | <u>          </u>                             | <u>          </u>                         |
| Net finance charge             | 310,309                                       | 92,209                                    |
|                                | <u>          </u>                             | <u>          </u>                         |

### 5. Information regarding directors and employees

The Company had no employees in the current or prior period. No directors received any remuneration from the Company during the current or prior period. Services are provided through an asset management agreement.

# South Sharpley Limited

## Notes to the financial statements For the period ended 31 December 2013

### 6. Tax charge on profit on ordinary activities

#### (a) Tax charge on profit on ordinary activities

The tax charge is made up as follows:

|  | 1 July 2012<br>to 31<br>December<br>2013<br>£ | 1 July 2011<br>to 30<br>June<br>2012<br>£ |
|--|---|---|
| <b>Current tax</b>   |   |   |
| United Kingdom corporation tax at 23.5% (2012: 25.5%) based on the profit for the period | -   | -   |
| Total current tax  | -   | -   |
| <b>Deferred tax</b>  |   |   |
| Deferred tax charge  | 105,365                                       | -   |
| Adjustment in respect of prior periods   | (2,284)                                       | -   |
| Total deferred tax (note 11)   | 103,081                                       | -   |
| Total tax in profit and loss   | 103,081                                       | -   |

#### (b) Factors affecting current tax charge

The tax assessed for the period is lower (2012: lower) than that resulting from applying the standard rate of corporation tax in the UK 23.5% (2012: 25.5%). The differences are explained below:

|   | 1 July<br>2012 to 31<br>December<br>2013<br>£ | 1 July<br>2011 to 30<br>June<br>2012<br>£ |
|---|---|---|
| Profit / (loss) on ordinary activities before taxation            | 490,533                                       | (92,209)                                  |
| Theoretical tax at UK corporation tax rate of 23.5% (2012: 25.5%) | 115,275                                       | (23,513)                                  |
| Effects of:   |   |   |
| Capital allowances in excess of depreciation                      | (113,015)                                     | -   |
| Losses carried forward not recognised                             | -   | 23,513                                    |
| Utilisation of adjusted brought forward losses                    | (2,260)                                       | -   |
| Total current tax   | -   | -   |

# South Sharpley Limited

## Notes to the financial statements For the period ended 31 December 2013

### 6. Tax charge on profit on ordinary activities (continued)

#### (c) Factors which may affect future tax charges

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the substantively enacted rates at the balance sheet date.

### 7. Tangible fixed assets

|                       | Assets under<br>construction<br>£ | Operating<br>wind sites<br>£ | Total<br>£ |
|-----------------------|-----------------------------------|------------------------------|------------|
| <b>Cost</b>           |                                   |                              |            |
| At 1 July 2012        | 3,354,172                         | -                            | 3,354,172  |
| Additions             | 3,785,594                         | -                            | 3,785,594  |
| Transfers             | (7,139,766)                       | 7,139,766                    | -          |
|                       | <hr/>                             | <hr/>                        | <hr/>      |
| At 31 December 2013   | -                                 | 7,139,766                    | 7,139,766  |
|                       | <hr/>                             | <hr/>                        | <hr/>      |
| <b>Depreciation</b>   |                                   |                              |            |
| At 1 July 2012        | -                                 | -                            | -          |
| Charge for period     |                                   | 326,468                      | 326,468    |
|                       | <hr/>                             | <hr/>                        | <hr/>      |
| At 31 December 2013   | -                                 | 326,468                      | 326,468    |
|                       | <hr/>                             | <hr/>                        | <hr/>      |
| <b>Net book value</b> |                                   |                              |            |
| At 31 December 2013   | -                                 | 6,813,298                    | 6,813,298  |
|                       | <hr/>                             | <hr/>                        | <hr/>      |
| At 30 June 2012       | 3,354,172                         | -                            | 3,354,172  |
|                       | <hr/>                             | <hr/>                        | <hr/>      |

# South Sharpley Limited

## Notes to the financial statements For the period ended 31 December 2013

### 8. Debtors

|                                    | 31 December<br>2013<br>£ | 30 June<br>2012<br>£ |
|------------------------------------|--------------------------|----------------------|
| Accrued income                     | 468,413                  | -                    |
| Prepayments                        | 31,320                   | 71,331               |
| Other debtors                      | 42,776                   | -                    |
| VAT                                | 24,333                   | -                    |
| Amounts owed by group undertakings | -                        | 1                    |
|                                    | <u>566,842</u>           | <u>71,332</u>        |

### 9. Creditors: amounts falling due within one year

|                 | 31 December<br>2013<br>£ | 30 June<br>2012<br>£ |
|-----------------|--------------------------|----------------------|
| Trade creditors | 24,369                   | -                    |
| Accruals        | 446,508                  | -                    |
|                 | <u>470,877</u>           | <u>-</u>             |

### 10. Creditors: amounts falling due after more than one year

|                                 | 31 December<br>2013<br>£ | 30 June<br>2012<br>£ |
|---------------------------------|--------------------------|----------------------|
| Amounts owed to group companies | 1,234,423                | 5,648,382            |
| <b>Bank loans</b>               |                          |                      |
| Between one and two years       | 222,823                  | -                    |
| Between two and five years      | 911,666                  | -                    |
| Over 5 years                    | 4,804,544                | -                    |
|                                 | <u>7,173,456</u>         | <u>5,648,382</u>     |

The bank loans have a term which runs until 30 September 2022 and carry interest at 3 month LIBOR plus 2.2%. The exposure to movements in interest rates has been hedged using interest rate swap contracts (note 14). They are secured against the tangible fixed assets of the company.

# South Sharpley Limited

## Notes to the financial statements For the period ended 31 December 2013

### 11. Provision for liabilities

|   | 31 December<br>2013<br>£ | 30 June<br>2012<br>£ |
|---|--------------------------|----------------------|
| Deferred tax liability                                    | (103,081)                | -                    |
| <b>The gross movement on the deferred tax account is:</b> |                          |                      |
| Balance at 1 July   | -                        | -                    |
| Current period movement through profit & loss             | (117,588)                | -                    |
| Adjustment in respect of prior years                      | 2,284                    | -                    |
| Impact of change in tax rate                              | 12,223                   | -                    |
| Balance at 31 December / 30 June                          | (103,081)                | -                    |
| <b>Deferred tax is provided as follows:</b>               |                          |                      |
| Depreciation in advance of capital allowances             | (103,081)                | -                    |

### 12. Share capital

|   | 31 December<br>2013<br>£ | 30 June<br>2012<br>£ |
|---|--------------------------|----------------------|
| <b>Allotted, called up and fully paid</b> |                          |                      |
| Balance at 1 July                         | 1                        | 1                    |
| Issue of 999 ordinary shares of £1 at par | 999                      | -                    |
| Balance at 31 December / 30 June          | 1,000                    | 1                    |

The Company issued a further 999 ordinary shares to Tranche 3 Holdings Limited, with an aggregate nominal value of £999. These have been fully paid with cash consideration that equated to the nominal value.

### 13. Reconciliation of shareholders' funds and movement in profit and loss account

|                                 | Share<br>capital<br>£ | Profit<br>and loss<br>account<br>£ | Total<br>£ |
|---------------------------------|-----------------------|------------------------------------|------------|
| At 1 July 2011                  | 1                     | -                                  | 1          |
| Profit for the year             | -                     | (92,209)                           | (92,209)   |
| At 30 June 2012                 | 1                     | (92,209)                           | (92,208)   |
| Profit for the period           | -                     | 387,452                            | 387,452    |
| Issue of ordinary shares at par | 999                   | -                                  | 999        |
| At 31 December 2013             | 1,000                 | 295,243                            | 296,243    |

## South Sharpley Limited

### Notes to the financial statements For the period ended 31 December 2013

#### 14. Derivatives not included at fair value

|                              | 31 December<br>2013 | 31 December<br>2013 | 30 June<br>2012 | 30 June<br>2012 |
|------------------------------|---------------------|---------------------|-----------------|-----------------|
|                              | Principal           | Fair value          | Principal       | Fair value      |
|                              | £                   | £                   | £               | £               |
| Interest rate swap contracts | 6,238,726           | 168,331             | -               | -               |

An interest rate swap contract with a nominal value of £6,238,726 (2012: £nil) has fixed interest payments at a rate of 5.7% for the 9 year period of the debt, ending on 30 September 2022 and has floating interest receipts at 3 month LIBOR plus 2.2%.

#### 15. Related party disclosures

The Company has taken advantage of the exemption under Financial Reporting Standard 8 from providing details of related party transactions with group related parties.

#### 16. Ultimate parent undertaking

The Company is a wholly owned subsidiary of Tranche 3 Holdings Limited, a company registered in England & Wales. The ultimate controlling party is considered to be BlackRock NTR Renewable Power Fund which is a limited partnership.

The immediate parent company, Tranche 3 Holdings Limited, prepares consolidated financial statements and is the smallest and largest member of the Group which prepares consolidated financial statements. The financial statements of Tranche 3 Holdings Limited are available from the registered office given on page 1.