

CARSCREUGH RENEWABLE ENERGY PARK LIMITED

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



Registered Number 05979968

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

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DIRECTORS AND ADVISORS

Directors

R J Ferriday
R McArthur (Resigned 31 March 2015)
C Dix (Resigned 30 October 2014)
C Tanner (Appointed 31 March 2015)

Company secretary and registered office

Maria Lewis
1 Kingsway
London
WC2B 6AN

Auditor

Deloitte LLP
Chartered Accountants & registered auditor
London

Principal bankers

Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

DIRECTORS' REPORT

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

The Directors' 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 Carscreugh (Holdings) Limited. At 31 December 2014, Carscreugh (Holdings) Limited was a wholly owned subsidiary of John Laing Investments Limited. On 31 March 2015, the shares in Carscreugh (Holdings) Limited were sold to John Laing Environmental Assets Group (UK) Limited, a company incorporated in Great Britain.

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company's principal activity is the design, build, financing and operation of a 15.3MW wind farm in Scotland.

There have not been any significant changes in the Company's principal activities in the year under review.

Carscreugh (Holdings) Limited purchased the shares in Carscreugh Renewable Energy Park Limited on 12 June 2013 from Gamesa Energia S.A. and Financial Close was achieved on 23 October 2013. Construction was completed during March 2014 and a period of commissioning has commenced. Full operation commenced in June 2014. The operating period is 24 years.

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate. 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 Company's activities expose it to a number of financial risks including credit risk and cash flow risk.

Cash flow risk: The Company's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates. The Company uses interest rate swap contracts to mitigate these exposures.

Exposure to market prices: The Company is exposed to long term electricity market prices now the wind farm is operational. We are currently monitoring the electricity market and a 15 year Purchase Power Agreement has been entered into with Statkraft Markets GmbH, effective from the start of commercial operations. We continue to monitor the market.

Wind / energy yield risk: The Company 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 to the Banks satisfaction, 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 Company will monitor performance against plan from start of operations.

Credit risk: The Directors have considered risks which given activities principally relate to credit risk, but as the debtors are primarily intercompany the Directors consider the Company's exposure to be limited.

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. This confirmation is given and should be interpreted in accordance with provisions of Section 418 of the Companies Act 2006.

DIRECTORS

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

EMPLOYEES

Details of the number of employees and related costs can be found in note 5 to the financial statements on page 9.

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


R. J. Ferriday
Director

25 June 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 CARSCREUGH RENEWABLE ENERGY PARK LIMITED

We have audited the financial statements of Carscreugh Renewable Energy Park Limited for the year ended 31 December 2014 which comprise the profit and loss account, the balance sheet and the related notes 1 to 18. 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 in preparing a Strategic report or in preparing the Directors' report.



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

25 June 2015

CARSCREUGH RENEWABLE ENERGY PARK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
Turnover	2	1,856,573	-
Cost of Sales		(224,355)	-
Gross profit		1,632,218	-
Administrative expenses		(690,683)	(44,863)
Operating profit / (loss)	3	941,535	(44,863)
Net interest (payable) / receivable	6	(1,072,321)	126
Loss on ordinary activities before taxation		(130,786)	(44,737)
Tax on loss on ordinary activities	7	24,902	-
Loss for the year	15	(105,884)	(44,737)

A reconciliation of movements in shareholder's funds is given in note 16.

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 and preceding year, and therefore no separate statement of total recognised gains and losses has been presented.

CARSCREUGH RENEWABLE ENERGY PARK LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
Fixed assets			
Tangible fixed assets	8	24,347,764	19,086,910
Current assets			
Debtors		3,689,619	3,558,807
- due within one year	9	72,344	519,601
- due after more than one year	9	3,617,275	3,039,206
Cash at bank and in hand		1,129,521	1,018,769
		<u>4,819,140</u>	<u>4,577,576</u>
Current liabilities			
Creditors: amounts falling due within one year	10	(1,257,404)	(109,688)
Net current assets		<u>3,561,736</u>	<u>4,467,888</u>
Total assets less current assets		27,909,500	23,554,798
Creditors: amounts falling due after more than one year	10	(26,873,241)	(23,056,961)
Provisions for liabilities	12	(689,150)	(44,844)
Net assets		<u>347,109</u>	<u>452,993</u>
Capital and reserves			
Called up share capital	14	500,238	500,238
Profit and loss account	15	(153,129)	(47,245)
Shareholder's funds	16	<u>347,109</u>	<u>452,993</u>

The financial statements of Carscreugh Renewable Energy Park Limited, registered number 05979968, were approved by the Board of Directors and authorised for issue on 25 June 2015. They were signed on its behalf by:


R-J Ferriday
Director
25 June 2015

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 Carscreugh Renewable Energy Park (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:

- (a) the ability of key sub-contractors to continue to meet contractual commitments;
- (b) the ability of the debt provider to continue to meet its contractual commitments; and
- (c) the ability of the SWAP provider to continue to meet their commitments.

The Directors have also considered the ability of customers to continue to pay amounts due to the Company 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.

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. 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 24 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.

g) 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 and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

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

ACCOUNTING POLICIES (continued)

- h) Cash
Cash comprise cash at bank and in hand and short term deposits with original maturity of less than three months.
- i) 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.
- j) Debt issue costs
Costs incurred following the issue of debt are held on the balance sheet and charged to the profit and loss account over the period that the relevant debt is held. If the loans for which the arrangement fee were incurred have not yet been drawn down, the deferred debt issue costs will be shown as a prepayment in the balance sheet.
- k) 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. A provision is recognised from the date construction work starts.

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

2 TURNOVER

Turnover in the year is analysed as follows:	2014	2013
	£	£
Levy Exemption Certificate Revenue	88,394	-
Power Purchase Agreement Revenue	877,810	-
Renewable Obligation Certificate Buy Out	834,369	-
Variation other revenue	56,000	-
	<u>1,856,573</u>	<u>-</u>

3 OPERATING PROFIT / (LOSS)

	2014	2013
	£	£
Operating profit / (loss) is stated after charging:		
Fees payable to the Company's auditors for the audit of the Company	3,674	3,565
Fees payable to the Company's auditors for the audit of parent company	2,735	2,655
Fees payable to the Company's previous auditors for the prior year audit of the Company	-	7,500
Fees payable to the Company's previous auditors for prior year non audit services	-	4,000
Payments under Operating lease (note 13)	114,794	-
Depreciation Charge	521,446	-

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

4 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.

5 STAFF NUMBERS

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

6 NET INTEREST (PAYABLE) / RECEIVABLE

	2014	2013
	£	£
Interest receivable and similar income		
Interest receivable on bank deposits	<u>560</u>	<u>126</u>
	560	126
Interest payable and similar charges		
Interest payable to parent undertaking	(1,139,634)	(554,539)
Interest payable on bank loan	(908,085)	(119,982)
Amortised debt issue costs	(47,789)	-
Commitment fee on undrawn loan facility	(25,752)	-
Unwinding of discount on provision	(1,504)	-
Capitalised interest	<u>1,049,883</u>	<u>674,521</u>
	(1,072,881)	-
Net interest (payable) / receivable	<u>(1,072,321)</u>	<u>126</u>

7 TAX ON LOSS ON ORDINARY ACTIVITIES

	2014	2013
	£	£
<u>Analysis of charge for the year</u>		
Current tax		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Accelerated capital allowances	(332,197)	-
Losses	358,967	-
Changes to tax rates and laws	(1,868)	-
Total deferred tax	<u>24,902</u>	<u>-</u>
Total tax credit on loss on ordinary activities	<u>24,902</u>	<u>-</u>

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

7 TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Factors affecting the tax credit 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	(130,786)	(44,737)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	28,119	10,401
Effects of:		
Expenses not deductible for tax purposes	(11,534)	-
Origination and reversal of timing differences	332,197	(10,401)
Tax losses recognised for deferred tax purposes	(24,902)	-
Tax losses not recognised for deferred tax purposes	(323,880)	-
Total current tax for the year	-	-

For the year ended 31 December 2014, the 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. This future reduction in the main rate of corporation tax to 20% was 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.

8 TANGIBLE FIXED ASSETS

	Plant and Equipment £
Cost	
At 1 January 2014	19,086,910
Additions	5,782,300
31 December 2014	24,869,210
Accumulated Depreciation	
At 1 January 2014	-
Charge for the year	(521,446)
31 December 2014	(521,446)
Net book value	
31 December 2014	24,347,764
At 31 December 2013	19,086,910

The fixed asset includes cumulative interest costs of £1,724,404 (2013 - £674,521).

9 DEBTORS

	2014 £	2013 £
Due within one year:		
Other taxation and social security	47,442	519,601
Deferred tax asset	24,902	-
	72,344	519,601
Due after more than one year:		
Prepayment and accrued income	578,069	-
Amounts owed by parent undertaking	3,014,206	3,014,206
Remediation account	25,000	25,000
	3,617,275	3,039,206

Accelerated capital allowances will reduce future taxable profits or, to the extent that they create current year losses, may be surrendered for consideration at the prevailing corporation tax rate. It is therefore appropriate to recognise a deferred tax asset on these amounts.

On 21 October 2013 the Company injected an upstream loan to Carscreugh (Holdings) Limited of £3,014,206. The upstream loan is repayable following the termination of the facilities agreement and bears no interest.

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

10 CREDITORS

	2014 £	2013 £
Amounts falling due within one year		
Bank loan (note 11)	659,180	67,569
Less: Unamortised debt issue costs	(48,859)	(24,998)
Trade creditors	54,900	378
Accruals and deferred income	592,183	66,739
	<u>1,257,404</u>	<u>109,688</u>
Amounts falling due after more than one year		
Bank loan (note 11)	15,306,313	12,214,269
Less: Unamortised debt issue costs	(252,317)	(323,968)
Amounts owed to parent undertaking (note 11)	<u>11,819,245</u>	<u>11,166,660</u>
	<u>26,873,241</u>	<u>23,056,961</u>
	2014 £	2013 £
Analysis of debt:		
Debt can be analysed as falling due:		
In one year or less	659,180	67,569
Between one and two years	1,022,433	659,180
Between two and five years	3,521,989	3,306,320
In five years or more	22,581,136	19,415,429
	<u>27,784,738</u>	<u>23,448,498</u>
Less: Unamortised debt issue costs	(301,176)	(348,966)
	<u>27,483,562</u>	<u>23,099,532</u>

11 LOANS

Bank loans

The Company has a term loan facility of £16,739,999 from which £15,965,493 (2013 - £11,645,252) has been drawn and interest of £143,444 (2013 - £17,569) has been accrued. The term loan is repayable in instalments by 31 March 2021, based on an agreed percentage amount of the total drawn down. Repayments commenced on 30 September 2014. Interest on the term loan prior to completion date is charged at a variable interest rate of LIBOR plus 3.15%. Interest on the term loan after the completion date is charged at a variable rate of LIBOR plus 2.85%.

In October 2013, as part of its interest rate management strategy and in accordance with the terms of its credit agreement the Company entered into an interest rate swap maturing on 31 March 2021. The maximum notional amount of the interest rate swap is £14,228,999. Under this swap the Company receives interest on a variable basis and pays interest at a fixed rate of 2.54%.

The fixed interest rate swaps was entered into to mitigate the interest exposure of the Company which has a negative fair value at 31 December 2014 of £777,451 (2013 - £51,132).

The Company had a VAT facility of £2,350,000, which has been fully paid at December 2014. Interest on the VAT facility was charged at a variable interest rate of LIBOR plus 2.00%.

Subordinated Debt

The Company has a Subordinated debt facility of £10,885,289, from which unsecured subordinated debt fixed rate loan notes due June 2038 bearing an interest rate of 10% per annum may be drawn. The principal amount of the Company's unsecured subordinated debt fixed rate loan notes is limited to £10,885,289, plus any unpaid interest added to the loan at the option of the borrower under the terms of the facility. The principal amount of the Company's unsecured subordinated debt fixed rate loan notes outstanding at 31 December 2014 was £11,819,245, which included £933,958 of accumulated unpaid interest added to the principal (2013 - £281,372). Loan repayments are made in instalments over the life of the loan.

12 PROVISION

	Decommissioning Provision £
Provision	
At 1 January 2014	44,844
Additions	642,802
Unwinding of the discount	1,504
At 31 December 2014	<u>689,150</u>
At 31 December 2013	<u>44,844</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 £689,150 as at 31 December 2014 (2013 - £44,844) based on an undiscounted total future liability of £1,223,239 (2013 - £99,000). The discount factor, being the risk free rate related to the liability, was 2.42% as at 31 December 2014 (2013 - 3.35%). Following a review of the decommissioning provision in the year the directors have re-assessed the estimated costs anticipated on decommissioning, with the adjustment recorded in the carrying value of fixed assets.

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

13 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

The company has entered into lease agreements with land owners 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	83,930	61,200

14 CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid: 500,238 ordinary shares of £1 each	500,238	500,238

in 2013 500,237 new ordinary £1 shares were issued for cash

15 MOVEMENT IN RESERVES

	Profit and loss account £
At 1 January 2014	(47,245)
Loss for the year	(105,884)
At 31 December 2014	(153,129)

16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £	2013 £
Loss for the year	(105,884)	(44,737)
Net reduction in/addition to shareholder's funds/(deficit)	(105,884)	(44,737)
Opening shareholder's funds/(deficit)	452,993	(2,507)
New shares issued	-	500,238
Other reserves	-	(1)
Closing shareholder's funds	347,109	452,993

17 TRANSACTIONS WITH RELATED PARTIES

As a wholly owned subsidiary of Carscreugh (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 Carscreugh (Holdings) Limited group. Note 18 gives details of how to obtain a copy of the published financial statements of Carscreugh (Holdings) Limited.

18 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is Carscreugh (Holdings) Limited, a company incorporated in Great Britain.

The smallest group and largest group in which its results are consolidated is Carscreugh (Holdings) Limited. The Company's ultimate parent and controlling entity at 31 December 2014 was John Laing Group plc. As at 31 March 2015, the Company's ultimate parent and controlling entity is John Laing Environmental Assets Group Limited Limited, a company incorporated in Guernsey, Channel Islands. Copies of the consolidated accounts of Carscreugh (Holdings) Limited are available from Companies House.