

Registered number: 08836682

## **Dafen Reserve Power Limited**

### **Annual report and financial statements**

**For the year ended 30 June 2016**



# **Dafen Reserve Power Limited**

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## **Dafen Reserve Power Limited**

### **Company information**

<b>Directors</b>	OCS Services Limited P S Latham A D Fraser (appointed 9 August 2016) E Keelan (appointed 2 November 2016)
<b>Company secretary</b>	S Ludlow
<b>Registered number</b>	08836682
<b>Registered office</b>	6th Floor 33 Holburn London EC1N 2HT
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
<b>Bankers</b>	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB
<b>Solicitors</b>	Shakespeare Martineau LLP No 1 Colmore Square Birmingham B4 6AA

## **Dafen Reserve Power Limited**

### **Directors' report For the year ended 30 June 2016**

The directors present their report and the audited financial statements of the company for the year ended 30 June 2016.

#### **Principal activities**

The principal activities of the company are that of construction and operation of reserve power plants.

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements were:

OCS Services Limited  
P S Latham  
A D Fraser (appointed 9 August 2016)  
E Keelan (appointed 2 November 2016)  
T J Senior (resigned 6 October 2016)

#### **Going concern**

The directors believe that preparing the accounts on the going concern basis is appropriate as the ultimate controlling party, Fern Trading Limited, has indicated their willingness to continue to support the operations of the Company for the foreseeable future. This includes confirmation that they will not seek repayment of amounts owing to them until such time as the Company is able to meet these liabilities.

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' 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 for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; 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.

**Dafen Reserve Power Limited**

**Directors' report (continued)**  
**For the year ended 30 June 2016**

**Statement of disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Small companies' exemption**

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006

This report was approved by the board on 22 December 2016 and signed on its behalf.

**P S Latham**  
Director

A handwritten signature in black ink, consisting of a stylized 'P' and 'S' followed by a horizontal line.

**Independent auditors' report to the members of Dafen Reserve Power Limited**

**Report on the financial statements**

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**Our opinion**

In our opinion Dafen Reserve Power Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2016 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.
- 

**What we have audited**

Financial statements, included within the Annual report and the financial statements (the "Annual report"), comprise:

- the Balance sheet as at 30 June 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include other explanatory information.

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

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

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**Opinions on matter prescribed by the Companies Act 2006**

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

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**Other matters on which we are required to report by exception**

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**Adequacy of accounting records and information and explanations received**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, 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.

We have no exceptions to report arising from this responsibility.

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**Directors' remuneration**

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

## **Dafen Reserve Power Limited**

### **Independent auditors' report to the members of Dafen Reserve Power Limited**

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#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare the financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Directors' report; and take advantage of the small companies' exemption from preparing a Strategic report. We have no exceptions to report arising from this responsibility.

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#### **Responsibilities for the financial statements and the audit**

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##### **Our responsibilities and those of the directors**

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

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

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##### **What an audit of financial statements involves**

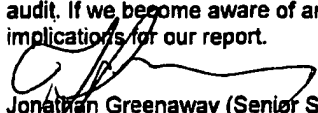
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

  
Jonathan Greenaway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle Upon Tyne

22 December 2016

**Independent auditors' report to the members of Dafen Reserve Power Limited**

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare the financial statements in accordance with the small companies' regime; take advantage of the small companies' exemption in preparing the Directors' report; and take advantage of the small companies' exemption from preparing a Strategic report. We have no exceptions to report arising from this responsibility.

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**Responsibilities for the financial statements and the audit**

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As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

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Jonathan Greenaway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Newcastle Upon Tyne

22 December 2016



**Dafen Reserve Power Limited**

**Statement of comprehensive income  
For the year ended 30 June 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
Turnover		<b>1,064,487</b>	41,204
Cost of sales		<b>(353,709)</b>	-
<b>Gross profit</b>		<b>710,778</b>	41,204
Administrative expenses		<b>(575,032)</b>	(193,496)
<b>Operating profit/(loss)</b>	5	<b>135,746</b>	(152,292)
Interest receivable and similar income	7	<b>746</b>	2,077
Interest payable and similar charges	8	<b>(552,459)</b>	(506,349)
<b>Loss on ordinary activities before taxation</b>		<b>(415,967)</b>	(656,564)
Tax on loss on ordinary activities	9	<b>41,341</b>	133,576
<b>Loss for the financial year</b>		<b>(374,626)</b>	(522,988)

All amounts relate to continuing operations

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There are no material differences between the loss on ordinary activities before taxation and the loss for the financial year above and their historical cost equivalents.

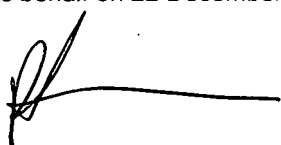
The notes on pages 9 to 16 form part of these financial statements.

**Dafen Reserve Power Limited**  
**Registered number: 08836682**

**Balance sheet**  
**As at 30 June 2016**

	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Tangible assets	10		<b>4,842,808</b>		4,967,179
			<b>4,842,808</b>		4,967,179
<b>Current assets</b>					
Debtors	11	<b>636,936</b>		305,590	
Cash at bank and in hand		<b>502,226</b>		366,171	
		<b>1,139,162</b>		671,761	
Creditors: amounts falling due within one year	12	<b>(7,034,027)</b>		(6,304,532)	
<b>Net current liabilities</b>			<b>(5,894,865)</b>		(5,632,771)
<b>Total assets less current liabilities</b>			<b>(1,052,057)</b>		(665,592)
<b>Provisions for liabilities</b>					
Deferred tax	14		-		(11,839)
<b>Net liabilities</b>			<b>(1,052,057)</b>		(677,431)
<b>Capital and reserves</b>					
Called up share capital	15		1		1
Profit and loss account			<b>(1,052,058)</b>		(677,432)
<b>Total shareholders' deficit</b>			<b>(1,052,057)</b>		(677,431)

The financial statements, set out on pages 6 to 16 were approved and authorised for issue by the board and were signed on its behalf on 22 December 2016.



**P S Latham**  
Director

The notes on pages 9 to 16 form part of these financial statements.

**Dafen Reserve Power Limited**

**Statement of changes in equity  
For the year ended 30 June 2016**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' deficit</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2015	1	(677,432)	(677,431)
<b>Comprehensive expense for the year</b>			
Loss for the financial year	-	(374,626)	(374,626)
<b>Total comprehensive expense for the year</b>	-	(374,626)	(374,626)
<b>At 30 June 2016</b>	<b>1</b>	<b>(1,052,058)</b>	<b>(1,052,057)</b>

**Statement of changes in equity  
For the year ended 30 June 2015**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total shareholders' deficit</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 July 2014	1	(154,444)	(154,443)
<b>Comprehensive expense for the year</b>			
Loss for the financial year	-	(522,988)	(522,988)
<b>Total comprehensive expense for the year</b>	-	(522,988)	(522,988)
<b>At 30 June 2015</b>	<b>1</b>	<b>(677,432)</b>	<b>(677,431)</b>

The notes on pages 9 to 16 form part of these financial statements.

## **Dafen Reserve Power Limited**

### **Notes to the financial statements For the year ended 30 June 2016**

#### **1. General information**

The Company's principal activity during the financial year was that of construction and operation of reserve power plants.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

#### **2. Statement of compliance**

The financial statements of Dafen Reserve Power Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3. Accounting policies**

##### **3.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### **3.2 Exemption for qualifying entity under FRS 102**

The company, being a subsidiary undertaking within a group whose consolidated financial statements are publically available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102.

##### **3.3 Going concern**

The directors believe that preparing the accounts on the going concern basis is appropriate as the ultimate controlling party, Fern Trading Limited, has indicated their willingness to continue to support the operations of the Company for the foreseeable future. This includes confirmation that they will not seek repayment of amounts owing to them until such time as the Company is able to meet these liabilities.

##### **3.4 Related party transactions**

The company has taken advantage of the exemption under paragraph 33.1A from the provision of FRS 102, not to disclose transactions with other wholly owned members of the Fern Trading Group. This is based on the grounds that at 30 June 2016 it was a wholly owned subsidiary of the group.

##### **3.5 Turnover**

Turnover comprises income receivable from the electricity generated during the year. Any uninvoiced income is accrued in the period in which it has been generated.

**Notes to the financial statements  
For the year ended 30 June 2016**

**3. Accounting policies (continued)**

**3.6 Tangible fixed assets**

Plant and machinery represents the cost of construction of a reserve power plant: EPC contracts, grid connection, gas connection, MSA management fees and legal and professional fees are capitalised and depreciated at 5% per annum on a straight line basis.

Tangible assets are stated at historical cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of tangible assets, less their estimated residual values, over their expected useful lives on the following basis:

Plant and machinery	-	5% straight line
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**3.7 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits with banks

**3.8 Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets' original effective interest rate. The impairment loss is recognised in the statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables and loans from fellow group undertakings, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Notes to the financial statements  
For the year ended 30 June 2016**

**3. Accounting policies (continued)**

**3.9 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**4. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

***(a) Critical judgements in applying the entity's accounting policies***

There are no critical judgements in applying the entity's accounting policies.

***(b) Critical accounting estimates and assumptions***

There are no critical accounting estimates and assumptions.

## Dafen Reserve Power Limited

### Notes to the financial statements For the year ended 30 June 2016

#### 5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	236,865	62,878
Auditors' remuneration	2,360	2,000
Auditors' remuneration - financial statements preparation	675	-
Auditors' remuneration - taxation compliance services	1,595	1,125
Operating lease charge	15,000	3,750

During the year, no director received any emoluments (2015 - £nil).

#### 6. Staff costs

The company has no employees other than the directors (2015 - none), who did not receive any remuneration (2015 - £nil).

#### 7. Interest receivable and similar income

	2016 £	2015 £
Interest receivable on bank accounts	746	2,077
	<u>746</u>	<u>2,077</u>

#### 8. Interest payable and similar charges

	2016 £	2015 £
Interest payable on bank accounts	1,052	-
Interest payable on loans to group undertakings	551,407	506,349
	<u>552,459</u>	<u>506,349</u>

# Dafen Reserve Power Limited

## Notes to the financial statements For the year ended 30 June 2016

### 9. Tax on loss on ordinary activities

	2016 £	2015 £
<b>Corporation tax</b>		
Current tax on losses for the year	(35,600)	(167,423)
Adjustments in respect of previous periods	6,098	-
	<u>(29,502)</u>	<u>(167,423)</u>
<b>Total current tax</b>	<u>(29,502)</u>	<u>(167,423)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(6,942)	30,770
Changes to tax rates	-	3,077
Adjustments in respect of previous periods	(4,897)	-
<b>Total deferred tax</b>	<u>(11,839)</u>	<u>33,847</u>
<b>Tax on loss on ordinary activities</b>	<u>(41,341)</u>	<u>(133,576)</u>

### Factors affecting tax credit for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.75%). The differences are explained below:

	2016 £	2015 £
Loss on ordinary activities before taxation	<u>(415,967)</u>	<u>(656,564)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.75%)	(83,193)	(136,237)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,404	738
Capital allowances for year in excess of depreciation	-	(12,283)
Utilisation of tax losses	36,247	14,206
Adjustments to tax charge in respect of prior periods	1,201	-
<b>Total tax credit for the year</b>	<u>(41,341)</u>	<u>(133,576)</u>

The company has tax losses of approximately £nil (2015 - £nil) available to carry forward. The company has not recognised a deferred tax asset in respect of losses available to carry forward due to there being insufficient certainty regarding its recovery.



**Dafen Reserve Power Limited**

**Notes to the financial statements  
For the year ended 30 June 2016**

**10. Tangible assets**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 July 2015	5,030,057
Additions	112,494
At 30 June 2016	<u>5,142,551</u>
<b>Accumulated depreciation</b>	
At 1 July 2015	62,878
Charge owned for the year	236,865
At 30 June 2016	<u>299,743</u>
<b>Net book value</b>	
At 30 June 2016	<u>4,842,808</u>
At 30 June 2015	<u>4,967,179</u>

**11. Debtors**

	<b>2016 £</b>	<b>2015 £</b>
Trade debtors	98,909	-
Amounts owed by group undertakings	105,742	-
Other debtors	18,740	99,208
Tax recoverable	196,925	167,423
Prepayments and accrued income	216,620	38,959
	<u>636,936</u>	<u>305,590</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

# Dafen Reserve Power Limited

## Notes to the financial statements For the year ended 30 June 2016

### 12. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	6,001	11,871
Amounts owed to group undertakings	5,499,000	5,499,000
Accruals and deferred income	1,529,026	793,661
	<u>7,034,027</u>	<u>6,304,532</u>

Included within amounts owed to group undertakings are unsecured loans totalling £5,499,000 (2015 - £5,499,000). The loans bear interest at 10% (2015 - 10%) and are repayable on demand.

### 13. Financial instruments

	2016 £	2015 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	772,869	465,379
	<u>772,869</u>	<u>465,379</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(7,034,027)	(6,304,532)
	<u>(7,034,027)</u>	<u>(6,304,532)</u>

### 14. Deferred taxation

	2016 £	2015 £
At beginning of year	(11,839)	22,008
Charged to the profit or loss	11,839	(30,770)
Change in tax rates	-	(3,077)
<b>At end of year</b>	<u>-</u>	<u>(11,839)</u>

The deferred taxation balance is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	-	(11,839)
	<u>-</u>	<u>(11,839)</u>

## Dafen Reserve Power Limited

### Notes to the financial statements For the year ended 30 June 2016

#### 15. Called up share capital

	2016 £	2015 £
<b>Allotted and fully paid</b>		
100 (2015 - 1) Ordinary shares of £0.01 (2015 - £1.00) each	<u>1</u>	<u>1</u>

#### 16. Commitments under operating leases

At 30 June the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	15,000	15,000
Later than 1 year and not later than 5 years	10,000	25,000
<b>Total</b>	<u>25,000</u>	<u>40,000</u>

#### 17. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provision of FRS 102, not to disclose transactions with other wholly owned members of the Fern Trading Group. This is based on the grounds that at 30 June 2016 it was a wholly owned subsidiary of the group.

#### 18. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is The Fern Power Company Limited.

The ultimate parent undertaking and controlling party is Fern Trading Limited, a company incorporated in England and Wales.

Fern Trading Limited is the smallest and largest group of undertakings to consolidate these financial statements at 30 June 2016. The consolidated financial statements of Fern Trading Limited are available from 6th Floor, 33 Holborn, London, EC1N 2HT.

#### 19. Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements submitted under the UK GAAP were for the year ended the 30 June 2015. The date of transition was the 1 July 2014. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.