

REGISTRAR OF COMPANIES

Llynfi Afan Renewable Energy Park (Holdings) Limited

**Annual Report and Financial Statements
Year Ended 31 December 2017**

Registration number: 10165101

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Llynfi Afan Renewable Energy Park (Holdings) Limited

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Llynfi Afan Renewable Energy Park (Holdings) Limited

Strategic Report

Year Ended 31 December 2017

The directors present their strategic report for the year ended 31 December 2017.

Principal activity

The principal activity of the company is that of a holding company. The principal activity of the company's subsidiary is the operation of a wind farm near Blaengwynfi in South Wales.

Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the financial period. Our review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties we face.

On 8 December 2016, the company acquired 100% of the issued share capital of Llynfi Afan Renewable Energy Park Limited. The subsidiary company constructed the wind farm and it was energized in March 2017. Initial operations commenced in March 2017 and full commercial operation was completed in May 2017.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Loss for the financial period	£	(1,276,370)	(540,636)

Principal risks and uncertainties

Interest rate risk – As of 31 December 2017, the Company has third party and intercompany debts on fixed rate and floating rate terms. Fixed rate debts are not affected by any movement in the market value of the debt due to changes in interest rates and is not deemed material to the ongoing operations of the Company. Floating rate debts are managed through hedging strategies entered into by the Company.

Credit risk – Credit risk the risk of default on a debt that may arise from a borrower failing to make required payments. The Company's credit risk is attached to the operational performance of its subsidiary as it is a holding company.

Approved by the Board on 7/8/18 and signed on its behalf by:



Y H Tang
Director

Llynfi Afan Renewable Energy Park (Holdings) Limited

Directors' Report

Year Ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Change of ownership

The entire share capital of the company was acquired by John Laing Environmental Assets Group (UK) Limited on 11 December 2017.

Directors of the company

The directors who held office during the year were as follows:

R McArthur (resigned 11 December 2017)

E C Thompson (resigned 11 December 2017)

B T Field (appointed 11 December 2017)

J M Linney (appointed 11 December 2017)

Y H Tang (appointed 11 December 2017)

Future developments

The principal activity of the company will remain that of an intermediate holding company.

Going concern

The Company is in a net total liability position as at 31 December 2017. The Directors have reviewed the Company's forecasts and projections, taking into account reasonable possible changes in environmental conditions, in addition to asset and counterparty performance which show that the Company can continue to meet its debts as they fall due.

The directors therefore, at the time of approving the financial statements, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

Change of auditor

PKF Francis Clark were appointed as auditor on 13 February 2018 and replaced the former auditor, Ernst & Young LLP.

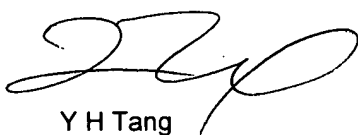
Disclosure of information to the auditors

Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which the auditors are unaware.

Small companies reduced disclosure

The directors have taken advantage of the reduced disclosure requirements permitted for small companies by s416 and s417 of the Companies Act 2006.

Approved by the Board on 7/8/18 and signed on its behalf by:



Y H Tang
Director

Llynfi Afan Renewable Energy Park (Holdings) Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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.

Llynfi Afan Renewable Energy Park (Holdings) Limited

Independent Auditor's Report to the Members of Llynfi Afan Renewable Energy Park (Holdings) Limited

Opinion

We have audited the financial statements of Llynfi Afan Renewable Energy Park (Holdings) Limited (the 'company') for the year ended 31 December 2017, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Use of our report

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Llynfi Afan Renewable Energy Park (Holdings) Limited

Independent Auditor's Report to the Members of Llynfi Afan Renewable Energy Park (Holdings) Limited

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 3], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

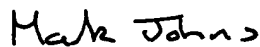
Llynfi Afan Renewable Energy Park (Holdings) Limited

Independent Auditor's Report to the Members of Llynfi Afan Renewable Energy Park (Holdings) Limited

Auditor's responsibilities for the audit of the financial statements

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

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



Mark Johns FCA FCCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

8 August 2018

Llynfi Afan Renewable Energy Park (Holdings) Limited

Profit and Loss Account

Year Ended 31 December 2017

		Year ended 31 December 2017 £	5 May 2016 to 31 December 2016 £
	Note		
Turnover		-	-
Administrative expenses		(73,552)	-
Operating loss		(73,552)	-
Other interest receivable and similar income	6	2,282,907	137,345
Interest payable and similar charges	7	(3,485,725)	(677,981)
		(1,202,818)	(540,636)
Loss before tax		(1,276,370)	(540,636)
Taxation	8	-	-
Loss for the financial year		(1,276,370)	(540,636)

The above results were derived from continuing operations.

Llynfi Afan Renewable Energy Park (Holdings) Limited

Statement of Comprehensive Income

Year Ended 31 December 2017

		2017 £	5 May 2016 to 31 December 2016 £
	Note		
Loss for the year		(1,276,370)	(540,636)
Unrealised gain/(loss) on cash flow hedges	14	<u>17,674</u>	<u>(977,649)</u>
Total comprehensive income for the year		<u><u>(1,258,696)</u></u>	<u><u>(1,518,285)</u></u>

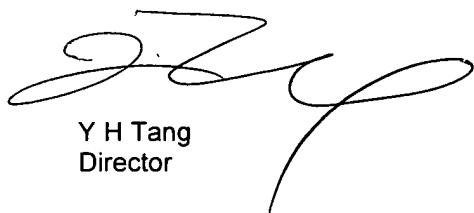
Llynfi Afan Renewable Energy Park (Holdings) Limited

Balance Sheet

31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	9	8,405,408	8,637,084
Current assets			
Debtors	10	43,673,265	37,667,173
Cash at bank and in hand	11	3,133,432	479,996
		46,806,697	38,147,169
Creditors: Amounts falling due within one year	12	(736,183)	(10,625,950)
Net current assets		46,070,514	27,521,219
Total assets less current liabilities		54,475,922	36,158,303
Creditors: Amounts falling due after more than one year	12	(57,251,903)	(37,675,588)
Net liabilities		(2,775,981)	(1,517,285)
Capital and reserves			
Called up share capital	15	1,000	1,000
Hedging reserve		(959,975)	(977,649)
Profit and loss account		(1,817,006)	(540,636)
Total equity		(2,775,981)	(1,517,285)

Approved and authorised by the Board on 7/8/18 and signed on its behalf by:



Y H Tang
Director

Company Registration Number: 10165101

Llynfi Afan Renewable Energy Park (Holdings) Limited

Statement of Changes in Equity

Year Ended 31 December 2017

	Share capital £	Hedging reserve £	Profit and loss account £	Total £
At 1 January 2017	1,000	(977,649)	(540,636)	(1,517,285)
Loss for the year	-	-	(1,276,370)	(1,276,370)
Other comprehensive income	-	17,674	-	17,674
Total comprehensive income	-	17,674	(1,276,370)	(1,258,696)
At 31 December 2017	1,000	(959,975)	(1,817,006)	(2,775,981)

	Share capital £	Hedging reserve £	Profit and loss account £	Total £
Loss for the year	-	-	(540,636)	(540,636)
Other comprehensive income	-	(977,649)	-	(977,649)
Total comprehensive income	-	(977,649)	(540,636)	(1,518,285)
New share capital subscribed	1,000	-	-	1,000
At 31 December 2016	1,000	(977,649)	(540,636)	(1,517,285)

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

1 Kingsway
London
WC2B 6AN

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The presentation currency of these financial statements is in Sterling.

There are no material departures from FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements have been prepared using pound sterling and have been rounded to the nearest pound.

Summary of disclosure exemptions

The directors have taken advantage of the exemption included in FRS 102 from including a Statement of Cash Flows.

Going concern

The Company is in a net total liability position as at 31 December 2017. The Directors have reviewed the Company's forecasts and projections, taking into account reasonable possible changes in environmental conditions, in addition to asset and counterparty performance which show that the Company can continue to meet its debts as they fall due.

The directors therefore, at the time of approving the financial statements, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

Exemption from preparing group accounts

The financial statements contain information about Llynfi Afan Renewable Energy Park (Holdings) Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 399 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it heads a small group.

Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions being when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost less provision for impairment in value arising from an annual review.

Intercompany loan debtors

Intercompany loans are amounts due from related parties.

Intercompany loans are recognised initially at the loan amount. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. Interest receipts are recognised and included in other interest receivable and similar income.

A provision for the impairment of intercompany debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the loan.

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Obligations for loans and borrowings are recognised when the company becomes party to related contracts and are measured initially at the fair value consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Interest expense is recognised and included in interest payable and similar charges.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised in the profit and loss account.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

Derivative financial instruments and hedging

Derivatives

The company uses derivative financial instruments to reduce exposure to interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Hedge accounting

The company designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedges or cash flow hedges.

At the inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective proportion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income.

The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in the profit or loss in the same line as the recognised hedged item. However when the forecast transaction that is hedged results in the recognition of a non-financial asset or liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the asset or liability concerned.

3 Staff costs

The company did not directly employ any employees during the period. The directors are employed by other group companies.

4 Directors' remuneration

The directors received no remuneration from the company during the period and are paid by other group companies.

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

5 Auditor's remuneration

	2017 £	5 May 2016 to 31 December 2016 £
Audit of the financial statements	<u>6,500</u>	<u>9,271</u>

6 Other interest receivable and similar income

	2017 £	5 May 2016 to 31 December 2016 £
Interest income on bank deposits	7,905	118
Other interest receivable - intercompany	<u>2,275,002</u>	<u>137,227</u>
	<u>2,282,907</u>	<u>137,345</u>

7 Interest payable and similar expenses

	2017 £	5 May 2016 to 31 December 2016 £
Interest on bank overdrafts and borrowings	1,001,462	16,789
Other interest payable - intercompany	<u>2,484,263</u>	<u>661,192</u>
	<u>3,485,725</u>	<u>677,981</u>

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

8 Taxation

Tax charged/(credited) in the profit and loss account

	Year ended 31 December 2017 £	5 May 2016 to 31 December 2016 £
Current taxation		
UK corporation tax	-	-
Tax on loss on ordinary activities	-	-

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK of 19.25%(2016 - 20%).

The differences are reconciled below:

	2017 £	5 May 2016 to 31 December 2016 £
Loss before tax	(1,276,370)	(540,636)
Corporation tax at standard rate	(245,701)	(108,127)
Effect of expense not deductible in determining taxable profit (tax loss)	56,985	-
Adjust closing deferred tax to average rate of 20%	-	18,275
Deferred tax not recognised	-	285,382
Tax increase from effect of unrelieved tax losses carried forward	188,716	-
Unrealised gain (loss) on cash flow hedges	-	(195,530)
Total tax charge/(credit)	-	-

The current rate of UK corporation tax at the date of this report was 20% for the period from 1 January 2017 to 31 March 2017 and 19% from 1 April 2017 to 31 December 2017. The UK government announced that the rate would reduce to 17% from 1 April 2020. This will reduce the company's future tax charge accordingly.

Unrecognised deferred tax asset

As at 31 December 2017, there is an unrecognised deferred tax asset of £258,566 (2016: £285,382).

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

9 Investments in subsidiaries

	2017 £	2016 £
Investments in subsidiaries	<u>8,405,408</u>	<u>8,637,084</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2017		8,637,084
Additions		676,000
Adjustment to consideration		<u>(907,676)</u>
At 31 December 2017		<u>8,405,408</u>
Carrying amount		
At 31 December 2017		<u>8,405,408</u>

On 8 December 2016, the Company purchased 100% of the issued shares of Llynfi Afan Renewable Energy Park Limited for a total consideration of £8,637,084, of which £7,066,120 was contingent on the renewable obligation certificate (ROC) accreditation payment. The certificate was obtained during the year and the contingent consideration was also paid.

Subsequently as part of the purchase agreement, the consideration has been adjusted to reflect additional costs incurred.

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2017	2016
Subsidiary undertakings				
Llynfi Afan Renewable Energy Park Limited	UK	Ordinary	100%	100%

The principal activity of Llynfi Afan Renewable Energy Park Limited is the operation of a wind farm.

The principal address of Llynfi Afan Renewable Energy Park Limited is 1 Kingsway, London, WC2B 6AN.

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

10 Debtors

		31 December 2017 £	31 December 2016 £
	Note		
Amounts due from group undertakings	16	42,763,735	37,667,173
Other debtors		909,530	-
		<u>43,673,265</u>	<u>37,667,173</u>

The interest charged on the intercompany balance for the period has been calculated at 5.4% per annum.

11 Cash and cash equivalents

	2017 £	2016 £
Cash at bank	<u>3,133,432</u>	<u>479,996</u>

12 Creditors

		31 December 2017 £	31 December 2016 £
	Note		
Due within one year			
Loans and borrowings	13	372,432	2,886,050
Trade creditors		-	12,589
Amounts due to group undertakings	16	-	661,191
Other creditors		<u>363,751</u>	<u>7,066,120</u>
		<u>736,183</u>	<u>10,625,950</u>
Due after one year			
Loans and borrowings	13	28,714,360	14,155,414
Amounts due to group undertakings	16	27,577,568	22,542,525
Derivative financial instruments		<u>959,975</u>	<u>977,649</u>
		<u>57,251,903</u>	<u>37,675,588</u>

The amounts due to group undertakings represents an intercompany loan arrangement from its parent. The total facility available is £37,400,000 at an interest rate of 10% per annum and any principal drawn is repayable by December 2036.

Llynfi Afan Renewable Energy Park (Holdings) Limited

Notes to the Financial Statements

Year Ended 31 December 2017

Categorisation of financial liabilities

	2017 £	2016 £
At amortised cost		
Current	372,432	3,559,830
Non-current	56,291,928	36,697,939
	<u>56,664,360</u>	<u>40,257,769</u>
At fair value		
Non-current	<u>959,975</u>	<u>977,649</u>

13 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	<u>28,714,360</u>	<u>14,155,414</u>
	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	<u>372,432</u>	<u>2,886,050</u>

The bank borrowings are with Santander and are split between three loans.

At 31 December 2017, the company owed £7,615,003 (2016: £3,169,557) re 'Facility A'. The total facility available is £7,631,793 and interest is charged on the loan at LIBOR plus 2.15% and is repayable in instalments by December 2023.

At 31 December 2017, the company owed £21,471,789 (2016: £10,977,627) re 'Facility B'. The total facility is £22,052,229 and interest is charged on the loan at LIBOR plus 2.25% and is repayable by December 2023.

At 31 December 2017, the company owed nil (2016: £2,877,492) re 'VAT Facility'. The total facility available was £4,550,000 and interest was charged on the loan at LIBOR plus 1.5% and was fully repaid during the year.

On 9 February 2018, the outstanding 'A' and 'B' loans were restructured and are now repayable by 31 March 2021.

Llynfi Afan Renewable Energy Park (Holdings) Limited

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Year Ended 31 December 2017

14 Commitments

The bank loan includes a requirement for the Company to swap a minimum of 80% of the notional loan amount from floating to fixed rates of interest. At 31 December 2017 the Company had entered into two hedging commitments, the first a swap to a fixed rate of 1.68% against 1-month LIBOR with settlement at the end of January and February 2017 has expired, and the second a swap for a fixed rate of 1.68% against 6-month LIBOR settled semi-annually starting 28 February 2017 through to a termination date in February 2034, with an early termination date of December 2023. The fair value of these is a liability of £959,975 at 31 December 2017.

On 9 February 2018 as part of the restructuring of the loans, the swap now has an early termination date of 31 March 2021.

All interest rate swap contracts are designated as hedges of variable interest rate risk of the Company's floating rate borrowings. The hedged cash flows are expected to occur and to affect profit or loss over the period to maturity of the interest rate swaps.

15 Share capital

Allotted, called up and fully paid shares

	31 December 2017		31 December 2016	
	No.	£	No.	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

16 Related party transactions

Summary of transactions with other related parties

The company has an inter company loan arrangement with its subsidiary company, Llynfi Afan Renewable Energy Park Limited, for the purpose of financing a wind farm. At the 31 December 2017 the total amount due to the company was £42,763,735 (2016: £37,667,173), this includes interest due on the loan of £2,412,229 (2016: £137,227). This loan is repayable on written demand.

The company also had an inter company loan arrangement from its former parent company, John Laing Investments Limited, to ensure funds are available for the company and subsidiary. On 11 December 2017, these loans were transferred to the new parent company, John Laing Environmental Assets Group (UK) Limited.

At 31 December 2016 the total amount due to John Laing Investments Limited was £23,203,716 which included interest due on the loan of £661,192.

At 31 December 2017 the total amount due to John Laing Environmental Assets Group (UK) Limited was £27,577,568, this includes interest due on the loan of £2,484,263.

Llynfi Afan Renewable Energy Park (Holdings) Limited

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17 Parent and ultimate parent undertaking

The company's immediate parent is John Laing Environmental Assets Group (UK) Limited, incorporated in England and Wales.

The ultimate controlling party is John Laing Environmental Assets Group Limited, a limited corporate entity incorporated in Guernsey, Channel Islands. Copies of the accounts of John Laing Environmental Assets Group Limited are available from the website www.jlen.com.