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BRI Wind Farms 6 Limited

Directors' report and financial statements for the period ended 31 December 2018

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
for the period ended 31 December 2018

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COMPANY INFORMATION

DIRECTORS	T. O'Brien *(appointed 3 August 2018)* K. McCarthy *(appointed 3 August 2018)* R. Kent *(appointed 3 August 2018)* E. Rouchel *(appointed 3 August 2018)* C. Deasy *(appointed 3 August 2018, resigned 31 January 2019)* K. White *(appointed 31 January 2019)*
SECRETARY	K. McCarthy
REGISTERED OFFICE	Lesley Tower, 42 Fountain Street, Belfast, Antrim, BT1 5EF, United Kingdom.
SOLICITOR	A & L Goodbody, International Financial Services Centre, North Wall Quay, Dublin 1.
BANKERS	HSBC, Level 30, 8 Canada Square, London E14 5HQ.
AUDITOR	Ernst & Young, Chartered Accountants, City Quarter, Lapps Quay, Cork.

DIRECTORS' REPORT
for the period ended 31 December 2018

The directors present herewith their report and audited financial statements for the period from 3 August 2018 to 31 December 2018.

PRINCIPAL ACTIVITIES, REVIEW OF THE PERFORMANCE AND FUTURE DEVELOPMENT OF THE BUSINESS
The company was incorporated on 3 August 2018. The principal activity of the company is to manage bank financing for its subsidiary company. The company also provides operational services to its subsidiary. The company plans to maintain its current activities.

PRINCIPAL RISKS AND UNCERTAINTIES
The directors consider the financial risk profile to be medium. Liquidity, cash flow and credit risks are low due to the government backed nature of the wind power purchase agreements held by its borrower and the strong cash flows generated by its borrower which are then used to pay the principal and interest of funds borrowed. The directors have considered interest rate risk and have helped to mitigate this by fixing the interest rates for all of the debt over the life of the facility.

RESULTS AND DIVIDENDS
The Statement of Comprehensive Income and Balance Sheet for the period ended 31 December 2018 are set out on pages 9 and 10. The directors do not propose the payment of a dividend for 2018.

DIRECTORS
The directors of the company who served throughout the period are listed on page 2.

DIRECTORS AND SECRETARY AND THEIR INTERESTS
At the period end the directors and secretary of BRI Wind Farms 6 Limited held no interest in the share capital of the company.

GOING CONCERN
The financial statements have been prepared on the going concern basis, the validity of which depends on the continued financial support of the company's parent undertaking, BIF II Irish Wind DAC. The parent undertaking has indicated that it is its intention to continue to provide financial support to the extent necessary to enable the company to meet its liabilities as they fall due.

DIRECTORS' REPORT
for the period ended 31 December 2018 (Continued)

SUBSEQUENT EVENTS
There have been no events between the reporting date and the date on which the financial statements were approved by the directors of the company, which would require adjustment to the financial statements or any additional disclosures.

DISCLOSURE OF INFORMATION TO THE AUDITORS
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Approved and signed on behalf of the Directors by:

Tom O'Brien
Director

Date 17 July 2019

DIRECTORS' RESPONSIBILITIES STATEMENT
for the period ended 31 December 2018

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

Company law requires the directors to prepare financial statements for each financial period. 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to 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.

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

Tom O'Brien
Director

Date 17 July 2019

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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BRI WIND FARMS 6 LIMITED

Opinion

We have audited the financial statements of BRI Wind Farms 6 Limited for the period ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20, 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRI WIND FARMS 6 LIMITED (Continued)

Other information

The other information comprises the information included in the Directors' Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the 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 the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRI WIND FARMS 6 LIMITED (Continued)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

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 https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Ian Venner (Senior Statutory Auditor)
for and on behalf of Ernst & Young
Chartered Accountants and Statutory Audit Firm

Cork, Ireland

Date: 17 July 2019

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 31 December 2018

	Note	*From 3 August 2018 to 31 December 2018* *£'000*
Turnover	5	213
Administrative expenses		(254)
Loss before taxation		(41)
Income tax credit	6	7
Loss after taxation		(34)
Other comprehensive income:		
Net change in fair value of cash flow hedges	13	900
Deferred tax on cash flow hedged movement	13	(152)
Other comprehensive income for the period, net of tax		748
Total comprehensive income for the period		714

BALANCE SHEET
at 31 December 2018

	Note	*2018* *£'000*
FIXED ASSETS		
Financial assets	7	8,488
Other financial assets	13	900
		9,388
CURRENT ASSETS		
Debtors (amounts falling due within one year)	8	27,167
Cash at bank		1,051
		28,218
CREDITORS (amounts falling due within one year)	10	(9,679)
NET CURRENT ASSETS		18,539
TOTAL ASSETS LESS CURRENT LIABILITIES		27,927
CREDITORS (amounts falling due after more than one year)	11	(27,068)
PROVISION FOR LIABILITIES		
Deferred tax liability	9	(145)
NET ASSETS		714
FINANCED BY		
CAPITAL AND RESERVES		
Called up share capital	14	-
Profit and loss account		(34)
Cash flow hedge reserve	15	748
Shareholder's funds		714

Approved by the Directors on 17 July 2019

Tom O'Brien
Director

STATEMENT OF CHANGES IN EQUITY
for the period ended 31 December 2018

	Called up Share capital £'000	*Profit and loss account £'000*	*Cash flow hedge reserve £'000*	*Total £'000*
Shares issued	-	-	-	-
Loss for the period	-	(34)	-	(34)
Other comprehensive income for the period	-	-	748	748
At 31 December 2018	-	(34)	748	714

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018

1. STATEMENT OF COMPLIANCE WITH FRS 101

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The results of BRI Wind Farms 6 Limited are included in the consolidated financial statements of Brookfield Asset Management Inc. which are available from the company's website www.brookfield.com.

2. CORPORATE INFORMATION

BRI Wind Farms 6 Limited is a company incorporated and domiciled in Northern Ireland. The address of the registered office is given on page 2. The nature of the company's operations and its principal activities are set out in the Directors' Report on pages 3 and 4.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company are as follows:

(a) *Basis of preparation*
The financial statements have been prepared on a historical cost basis except for other financial assets that have been recorded at fair value. The company's financial statements are presented in pounds sterling and all values are rounded to the nearest thousand (£'000) except where otherwise indicated.

The financial statements have been prepared on the going concern basis, the validity of which depends on the continued financial support of the company's parent undertaking, BIF II Irish Wind DAC. The parent undertaking has indicated that it is its intention to continue to provide financial support to the extent necessary to enable the company to meet its liabilities as they fall due.

Consolidated accounts have not been prepared because conditions laid down in section 400 of the Companies Act have been complied with.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 December 2018.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) *Basis of preparation (continued)*

The company has taken advantage of the following disclosure exemptions under FRS 101:

(a) the requirements of IFRS 7 Financial Instruments: Disclosures;
(b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
(c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  (i) paragraph 79(a) (iv) of IAS 1
  (ii) paragraph 73(e) of IAS 16 Property, Plant and Equipment;
(d) the requirement of paragraphs 10(d), 10(f), 39(c), and 134-136 of IAS 1 Presentation of Financial Statements;
(e) the requirements of IAS 7 Statement of Cash Flows;
(f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
(g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
(h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
(i) the requirements of paragraphs 134(d), 134(f) and 135(c), 135(e) of IAS 36 Impairment of Assets; and
(j) the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.

(b) *Use of estimates and judgements*

The preparation of the financial statements requires the use of judgements, estimates and assumptions in determining the value of assets and liabilities, income and expenses recorded for the period and positive and negative contingencies at period end. Actual results in future financial statements may differ from current estimates due to changes in these assumptions or economic conditions.

The principal estimates and judgements are described below. Given their importance in the company's financial statements, the impact of any change in assumption in these areas could be significant. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which these estimates are revised and in any future years affected.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Use of estimates and judgements (continued)

Impairment of long-term assets
The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. Management performs an annual review of the carrying value of the investments in subsidiaries by comparing their carrying value to the fair value of the investments using valuation techniques including the discounted cash flow (DCF) model. The fair values of investments of these investments cannot be measured based on quoted prices in active markets. The inputs to DCF model are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as weighted average cost of capital (WACC), percentage of curtailments and constraints, Transmission Loss Adjustment Factors (TLAF), country risk premium, inflation rates and balancing payment. Changes in assumptions relating to these factors could affect the reported DCF final value and the value of investments. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing

Impairment of long-term assets
Impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Other judgements
When there is no standard or interpretation applicable to a specific transaction, the company exercises judgement to determine the most appropriate accounting policy that will supply relevant, reliable information for preparation of its financial statements.

(c) Financial asset investments
Investments in subsidiaries are held at historical cost less any applicable provision for impairment.

(d) Financial assets and liabilities

(i) Non-derivative financial assets and liabilities

Trade and other debtors
Trade and other debtors are initially recognised at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method less any impairment losses.

Impairment losses are recognised where there is objective evidence of a dispute or an inability to pay.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets and liabilities (continued)

(i) Non-derivative financial assets and liabilities (continued)

Cash
Cash comprises deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less, less overdrafts payable on demand.

Bank borrowings
Interest bearing loans are initially measured at fair value (which is equal to cost at inception), and are subsequently measured at amortised cost, using the effective interest rate method. Transaction costs are deducted from the carrying value of the liability and amortised using the effective interest method.

Trade and other creditors
Trade and other creditors are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

Amounts owed by/amounts owed to group companies
Amounts owed by/amounts owed to group companies are non-derivative financial assets or liabilities which are not quoted in an active market. They are included in current assets or liabilities on the Balance Sheet, except for those with maturities greater than twelve months after the reporting date, which are included in assets or liabilities greater than one year. Receivables and payables are initially recorded at fair value and thereafter at amortised cost.

There are no specific payment terms on the amounts owed by the parent or fellow group companies and none are considered past due or impaired.

(ii) Derivative financial instruments
The company uses derivative financial instruments to hedge its exposure to interest rate risk arising from financing activities. The principal derivatives used are interest rate swaps. All such derivatives are recognised at fair value and are re-measured to fair value at the reporting date. The fair value of interest rate swaps takes into account the fixed, floating and market rates prevailing at the year end. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the company and counterparty when appropriate. The majority of derivative financial instruments are designated as being held for hedging purposes. The designation of the hedge relationship is established at the inception of the contract and procedures are applied to ensure the derivative is highly effective in achieving its objective and that the effectiveness of the hedge can be reliably measured. The treatment of gains and losses on re-measurement is dependent on the classification of the hedge and whether the hedge relationship is designated as either a 'fair value' or 'cash flow' hedge.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets and liabilities (continued)

(ii) Derivative financial instruments (continued)

Fair value hedges
These instruments hedge the exposure to changes in the fair value of an asset or liability recorded in the Balance Sheet, or a firm commitment to purchase or sell an asset. Changes in the fair value of the hedged item attributable to the hedged (risk) component of that item are recorded in profit or loss and are offset by corresponding variations in the fair value of the hedging instrument. Only the ineffective portion of the hedge has an impact on profit or loss.

Hedge accounting is applied in compliance with IFRS 9 and concerns interest rate derivatives used to hedge long-term indebtedness.

Cash flow hedges
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. The ineffective part of any gain or loss is recognised in the income statement immediately. When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in profit or loss immediately.

(e) Taxes
Income tax expense comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets are only recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax asset recognition is regularly assessed.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018 (Continued)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) *Foreign currencies*
The Company's financial statements are presented in sterling, which is also the Company's functional currency.

Transactions and balances:
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'administration expenses'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income.

(g) *Revenue*
Revenue is measured at the fair value of the consideration received or receivable and comprises interest income and amounts receivable for the provision of services to group companies in the normal course of business. Revenue is recognised when earned.

(h) *Administration expenses*
Administrative expenses comprise interest expense and group recharges. These are recognised as an expense in the financial statements when due.

4. STATUTORY INFORMATION

The audit fee and directors remuneration are borne by another group company. The company does not have any employees.

5. TURNOVER

All revenue is derived from continuing operations arising from interest income and group recharges.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018 (Continued)

6. TAXATION

(a) *Tax charged in the statement of comprehensive income*

	From 3 August 2018 to 31 December 2018 *£'000*
Current tax	–
Deferred tax	(7)
Total	(7)

(b) *Reconciliation of the total tax charge*

The current tax charge for the period differs from the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	From 3 August 2018 to 31 December 2018 *£'000*
Loss before tax	(41)
Loss multiplied by the standard rate of tax of 19%	(8)
Effects of:	
Permanent difference	18
Future tax differential	(17)
Income tax credit	(7)

7. FINANCIAL ASSETS

(a) *Investments in subsidiaries*

	31 December 2018 *£'000*
At beginning of the period	–
Additions	8,488
Carrying amount at the end of the period	8,488

The directors are of the opinion that the investments are worth at least the amount at which they are stated at in the Balance Sheet.

7. FINANCIAL ASSETS (Continued)

(b) *Details of group undertakings*

Details of the investments in which the company holds 100% of the nominal value of any class of share capital at 31 December 2018 is as follows:

Name of company Subsidiary undertakings	*Holding*	*Proportion of voting rights and shares held*	*Nature of business*	*Registered office*
Antrim Wind Energy Limited	Ordinary shares	100%	Wind energy	42-46 Fountain Street, Belfast, Co. Antrim.

8. DEBTORS (amounts falling due within one year)

	31 December 2018 *£'000*
Amounts owed by group companies	27,167

Amounts owed by group companies comprise an interest bearing loan balance with its subsidiary. The loan is repayable on demand. Interest is matched to the external bank debt and is fixed at 3.56%. Amounts owed by group companies are not considered to have any exposure to credit risk.

9. DEFERRED TAXATION

31 December 2018	*Derivatives* *£'000*	*Tax losses and other* *£'000*	*Total* *£'000*
Credit to statement of comprehensive income	–	7	7
Credit to equity	(152)	–	(152)
At 31 December 2018	(152)	7	(145)

A deferred tax asset has been recognised in respect to tax losses and a deferred tax liability has been recognised in respect of derivatives.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018 (Continued)

10. CREDITORS (amounts falling due within one year)	*31 December 2018* *£'000*
Trade payables and accruals	319
Borrowings and other debt *(note 12)*	882
Amounts owed to parent companies	8,478
	9,679

The carrying value of trade payables is approximately equal to their fair value. Trade payables are contractually required to be paid under standard 45 day terms. Amounts owed to parent companies are interest free and repayable on demand.

11. CREDITORS (amounts falling due after more than one year)	*31 December 2018* *£'000*
Borrowings and other debt *(note 12)*	27,068
	27,068

12. BORROWINGS AND OTHER DEBT	*31 December 2018* *£'000*
Bank loans – amounts payable by instalments:	
Amounts falling due within one year	882
Amounts falling due after more than one year	27,068
Bank loans due after more than one year:	
One to two years	767
Two to five years	3,104
More than five years	23,197
	27,068

Borrowings relate to a secured term loan. The loan was taken out in October 2018 and will mature in September 2036. The loan carries interest at 1.85% above LIBOR. Payments of principal and interest are due on a quarterly basis. The loan is secured by a fixed and floating charge over the assets of the Group (see note 13).

13. DERIVATIVE FINANCIAL INSTRUMENTS

	Level 2 31 December 2018 £'000
Interest rate derivatives	900

The company uses cash flow hedging principally to hedge its floating-rate debt, using interest-rate swaps (floating/fixed rate).

Fair value hierarchy
The table above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as process) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Determination of fair value
The fair value of interest rate swaps takes into account the fixed, floating and market rates prevailing at the period end. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the relevant entity and counterparty when appropriate. All significant inputs required to fair value an instrument are observable, thus the instruments are included in level 2.

Impact of cash flow hedging derivatives on equity
Changes in the fair value of hedging derivatives included in equity over the period are as follows:

At 31 December 2018	*Gross changes in fair value recorded in equity (i) £'000*	*Taxes related to gross changes recorded in equity £'000*	*Changes after taxes in fair value recorded in equity £'000*
Interest rate hedging	900	(152)	748

14. CALLED UP SHARE CAPITAL

	31 December 2018
	£'000
Allotted, called up and fully paid:	
1 ordinary share of £1 each	-

15. CASH FLOW HEDGE RESERVE

The hedging reserve primarily represents the fair value of derivatives which are part of effective cash flow hedging relationships at period end. As the derivatives are held for hedging purposes, fair value movements are retained in equity instead of being charged to the income statement during period and will be charged to profit or loss in the same year as the corresponding hedged transaction. Refer to note 13 for further details.

	31 December 2018
	£'000
Beginning of period	-
Net change in fair value of cash flow hedges	900
Deferred tax on cash flow hedge	(152)
End of period	748

The net change in fair value of cash flow hedges in the Statement of Comprehensive Income amounted to £748,000.

16. PARENT COMPANY

The company is a 100% owned subsidiary of Brookfield Renewable Ireland Limited, a company incorporated in Ireland. The ultimate parent undertaking is Brookfield Asset Management Inc. In common with other subsidiaries the financial statements of BRI Wind Farms 6 Limited reflect the effect of such group membership. A copy of the group financial statements may be obtained from the group's website www.brookfield.com.

The results of the company are included in the consolidated financial statements of Brookfield Renewable Energy Partners LP and Brookfield Asset Management Inc which are publicly available.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2018 (Continued)

17. COMMITMENTS AND CONTINGENCIES

AIB Group (UK) p.l.c. has security over the borrowings outlined in Note 12. There is a fixed and floating charge over the assets of its subsidiary, in connection with the provision of finance through this company.

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

19. SUBSEQUENT EVENTS

There have been no events between the reporting date and the date on which the financial statements were approved by the directors of the company, which require adjustment to the financial statements or any additional disclosures.

20. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements and authorised them for issue on 17 July 2019.