

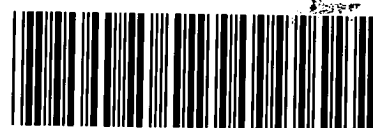
AUCHROBERT WIND ENERGY LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

**Company number
SC478613**

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AUCHROBERT WIND ENERGY LIMITED

DIRECTORS' REPORT

Year ended 31 December 2016

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AUCHROBERT WIND ENERGY LIMITED

DIRECTORS' REPORT

Year ended 31 December 2016

Registered No. SC478613

The Directors present their annual report for the year ended 31 December 2016.

Directors of the Company

S Chiericoni

R Reed (appointed 26 October 2016)

A Murie (appointed 26 October 2016)

R Micoli (resigned 26 October 2016)

D Murray (resigned 26 October 2016)

The Company secretary who held office during the year and subsequent to the year end was Erin Hunter.

Business Review and Future Developments

The Company is incorporated in the UK on 28 May 2014 as a limited company and its registered office and principal place of business is located at Beaully House, Dochfour Business Centre, Dochgarroch, Inverness, IV3 8GY.

The principal activity of the Company is the generation and sale of electricity from a wind farm comprising 12 wind turbine generators being constructed in South Lanarkshire. In the period under review, the Company was principally undertaking a range of development activities in preparation for this trade. Construction of the wind farm commenced in 2015 with commercial operation expected in 2017. Once the wind farm has been constructed, the Company will sell the electricity it generates to third parties under one or more power purchase agreements. The Company will also carry out the operational management and maintenance activities associated with the generation of electricity at the wind farm and decommission it at the end of its operational life.

Small companies' exemption

The report of the directors has been prepared taking advantage of the small companies' exemption of section 415A of the Companies Act 2006. In addition, the directors have taken advantage of the small companies' exemption section 414B of the Companies Act 2006 not to provide a strategic report.

Results and Dividends

The results of the Company are set out on page 8 and show a loss on ordinary activities before taxation of £19,000 (2015: loss £2,000) and profit after taxation of £60,000 (2015: loss £2,000).

The directors do not recommend the payment of a dividend (2015: £nil)

At year end the Company had total assets of £53,682,000 (2015: £13,818,000) and total liabilities of £53,629,000 (2015: £13,825,000).

Strategy

The Company works in partnership with land owners, local communities, governments and local renewables developers to develop onshore wind farms that meet four key criteria: good wind resources, availability of attractive sites (land title, access and transmission rules that enable grid connections), reasonable planning and permitting processes, and a tariff regime that supports renewable power.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as follows:

Construction risk

Turbine manufacturers generally supply and construct turbines for wind farm sites on a turn-key basis, thus assuming both performance and delay risks. To minimise these risks, the Company will select a turbine manufacturer with a proven track record and will negotiate appropriate performance and delay penalty clauses in the Engineering, Procurement and Construction (EPC) Contract).

Liquidity risk

The Company is financed by loans from its parent companies. The risk of the parent companies discontinuing the provision of financing is regarded as low.

AUCHROBERT WIND ENERGY LIMITED

DIRECTORS' REPORT (continued)

Year ended 31 December 2016

Key performance indicators ("KPIs")

The principal KPI for the Company is development time and cost against budget. Additional KPIs are disclosed in the financial statements of the Company's intermediate parent undertaking, Falck Renewables SpA which are publicly available on the web site www.falckrenewables.com.

Events since the balance sheet date

We have not noted any post balance sheet events.

Directors' liabilities

The holding company of the Falck Renewables Wind Limited Group, Falck Renewables S.p.A, maintains directors' and officers' liability insurance with a third party which gives appropriate cover for any legal action brought against the Company's directors.

Going concern

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the parent company Falck Renewables Wind Limited. There is a subordinated loan agreement in place from Falck Renewables Wind Limited which has provided a letter of financial support confirming that the parent company will not request repayment for at least 12 months after these financial statements are signed. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Auditor

A resolution to appoint Ernst & Young LLP as auditor will be proposed at the annual general meeting.

Directors' statement as to the disclosure of information to auditor

The directors who were members of the board at the time of approving the Directors' Report are listed on page 3. Having made enquiries of fellow directors and of the Company's auditor, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditor is unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor are aware of that information.

By order of the Board



S Chiericoni
Director
3 March 2017

AUCHROBERT WIND ENERGY LIMITED

DIRECTORS' REPORT (continued)

Year ended 31 December 2016

Statement of Directors' Responsibilities

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 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 the affairs of the Company and of the profit or loss 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; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUCHROBERT WIND ENERGY LIMITED

We have audited the financial statements of Auchrobert Wind Energy Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Boards' Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended 31 December 2016;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT (continued)

Year ended 31 December 2016

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in 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.
- the directors were not entitled to take the advantage of the small companies' exemptions in not preparing the Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.

Ernst & Young LLP

Natalia Moolman (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

3 March 2017

AUCHROBERT WIND ENERGY LIMITED**STATEMENT OF COMPREHENSIVE INCOME****Year ended 31 December 2016**

	Note	2016 £'000	2015 £'000
Administrative expenses	3	(18)	(15)
Operating loss		(18)	(15)
Interest receivable and similar income	4	-	14
Interest payable and similar cost	4	(1)	(1)
Loss on ordinary activities before taxation		(19)	(2)
Tax income	5	79	-
Profit/(loss) for the year		60	(2)
Total comprehensive income/(expense) for the year		60	(2)

All realised profits and losses arise as a result of continuing operations.

AUCHROBERT WIND ENERGY LIMITED**BALANCE SHEET****at 31 December 2016**

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible fixed assets	6	50,165	13,434
Deferred tax asset	7	-	2
		<u>50,165</u>	<u>13,436</u>
Current assets			
Trade and other debtors	8	3,376	382
Cash at bank and in hand	9	141	-
		<u>3,517</u>	<u>382</u>
Total assets		<u>53,682</u>	<u>13,818</u>
Capital and reserves			
Equity share capital	10	-	-
Retained earnings		53	(7)
Total equity		<u>53</u>	<u>(7)</u>
Creditors: amounts falling due after more than one year			
Deferred tax liabilities	7	410	-
Provision for liabilities and charges	11	1,137	-
		<u>1,547</u>	<u>-</u>
Creditors: amounts falling due within one year			
Loans	12	37,367	8,886
Trade and other creditors	13	14,715	4,939
Total liabilities		<u>53,629</u>	<u>13,825</u>
Total equity and liabilities		<u>53,682</u>	<u>13,818</u>

The financial statements were approved by the Board of Directors on 3 March 2017 and were signed on its behalf by:


 S Chiericoni
 Director

AUCHROBERT WIND ENERGY LIMITED**STATEMENT OF CHANGES IN EQUITY****Year ended 31 December 2016**

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2015		(5)	(5)
Loss for the year	-	(2)	(2)
Total comprehensive expense for the year	-	(2)	(2)
At 31 December 2015	-	(7)	(7)
Profit for the year	-	60	60
Total comprehensive income for the year	-	60	60
At 31 December 2016	-	53	53

AUCHROBERT WIND ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2016

1 General information

Auchrobert Wind Energy Limited's ("the Company") principal activity is the generation of renewable energy through the development, construction and operation of Auchrobert wind farm, located in Scotland.

The Company is a private limited company incorporated and domiciled in the UK and the address of its registered office is Beauly House, Dochfour Business Centre, Dochgarroch, Inverness, IV3 8GY.

2 Accounting policies

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.

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), including the July 2015 amendments.

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

- (i) the requirements of IFRS 7 Financial Instruments: Disclosures; and
- (ii) the requirements of IFRS 13 Fair Value Measurement; and
- (iii) the requirements of IAS 7 Statement of Cash Flows; and
- (iv) 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.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

The financial statements have been prepared on a going concern basis and under the historical cost convention. There is a subordinated loan agreement in place from Falck Renewables Wind Limited which has provided a letter of financial support confirming that the parent company will not request repayment for at least 12 months after these financial statements are signed. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Critical accounting estimates are used in preparation of the financial statements. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2(d).

(b) Interest receivable and payable

Interest payable is recognised on a time-proportion basis using the effective interest rate method and expensed in the profit and loss account.

Interest receivable is recognised on a time-proportion basis using the effective interest method.

(c) Trade creditors

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

AUCHROBERT WIND ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2016

2 Accounting policies (continued)

(d) Critical Accounting estimates and judgements

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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

Property plant and equipment

The Company estimates the useful lives and residual value of wind farm assets and other tangible fixed assets and reviews these estimates at each financial period end. The Company also tests for impairment at least once a year and when a trigger event occurs.

Income tax

Some degree of estimation is required in determining the provision for income taxes. There are a number of transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due.

Where the final tax outcome of this matter is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions in the period in which such determination is made. In addition, the recognition of deferred tax assets is dependent upon an estimation of future taxable profits that will be available against which deductible temporary differences can be utilised. In the event that actual taxable profits are different, such differences may impact the carrying value of such deferred tax assets in future periods.

Estimation of decommissioning costs

The Company estimates, at the time of construction, the likely cost of removing wind farm equipment and making good the damage to the site where a contractual decommissioning and restoration obligation exists. The provision reflects the present value if material (based on an appropriate discount rate), at the balance sheet date of the decommissioning liability.

(e) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

AUCHROBERT WIND ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2016

2 Accounting policies (continued)

(g) Tangible fixed assets

Plant and equipment are principally wind farms comprising, inter alia, wind turbines and the balance of plant, including substations, and are stated at acquisition cost, net of accumulated depreciation (see below) and impairment losses. Costs include amounts payable to third party contractors for the construction of wind farms and other costs that are directly attributable to bringing assets into working condition for their intended use. The cost also includes, where relevant,

(i) the initial estimate at the time of installation of the costs of dismantling and removing the wind farm and of restoring the site on which it is located to its original condition and;

(ii) changes in the measurement of existing liabilities recognised for those costs during the period of use resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Costs related to assets under construction are capitalised where, in the opinion of the Directors, the related project is highly likely to be successfully developed and the economic benefits arising from future operations will exceed the amount of capitalised expenditure incurred to date and the cost can be measured reliably. Costs incurred prior to meeting the criteria for capitalisation are recorded as an expense within operating costs in the profit and loss account.

Loan costs which are directly attributable to assets under construction and which meet the criteria in IAS23 are capitalised as part of the cost of those assets. Capitalisation ceases when the asset is fully operational.

Depreciation is provided on all tangible fixed assets (except assets under construction which are not depreciated), at rates calculated to write off the cost, less estimated residual value, on a straight line basis over their expected useful lives at the following annual rate:

- Plant and machinery 20 years

If not representing an embedded derivative which needs to be separately accounted from the host contract, the Company capitalises variable pricing at their fair value on initial recognition and recognises any subsequent changes in contingent consideration as adjustment of historical cost of plant and equipment.

Plant and machinery are reviewed for impairment at least once a year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets are reviewed for possible reversal at each reporting date.

(h) Trade and other debtors

Trade debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade 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 debtors.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the profit and loss account within administrative expenses. When a trade debtor is uncollectible, it is written off against the allowance account for trade debtors. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the profit and loss account.

(i) Loans and loan costs

All loans are initially recognised at the fair value of the consideration received net of issue costs associated with the loan. Loans are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value and other loan costs is recognised in the profit and loss account over the period of the loans using the effective interest method.

Loan costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other loan costs are expensed.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date.

AUCHROBERT WIND ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2016

2 Accounting policies (continued)

(j) Income Taxes

Income tax on the result for the year comprises current and deferred tax. Income tax is recognised in the Company's profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

(k) Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within loans in current liabilities on the balance sheet where no right of set off exists.

(l) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Where contractually obliged, the Company creates provisions for the decommissioning of wind turbines from wind farms and environmental restoration. The decommissioning and restoration provisions reflect the present value, at the balance sheet date, of the estimated cost. The provisions are reviewed at each balance sheet date and are adjusted to reflect the present value of the expense expected to be realised for the settlement of the liability.

The future cost is recognised as an increase in the acquisition value of wind turbines. The depreciation expense of capitalised decommissioning and restoration costs are included in the profit and loss account together with the depreciation charge on wind farm assets. Any change in estimation in the estimated cost or the discount rate are added or deducted from the fixed asset's cost. The discounting effect on the provision is recorded in the profit and loss account as a finance cost.

AUCHROBERT WIND ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 December 2016****3 Loss on ordinary activities before taxation**

The company accrued £14,000 in respect of the audit of the financial statements (2015: £10,000).

No remuneration was paid to the directors for services to the Company (2015: £nil)

There are no employees in the Company and therefore no employee costs.

4 Interest and similar costs

	2016 £'000	2015 £'000
Interest payable		
Bank fees and other charges	(1)	(1)
Total interest payable and similar costs	(1)	(1)
Interest receivable		
Net foreign exchange gains	-	14
Total interest receivable and similar income	-	14
Net finance costs	(1)	13

5 Taxation

	2016 £'000	2015 £'000
Current tax charge - current year	(447)	-
Current tax charge - prior year	(44)	-
Deferred tax credit (note 7)	412	-
	(79)	-

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK applicable to profits of the Company as follows:

	2016 £'000	2015 £'000
Loss on ordinary activities before taxation	(19)	(2)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015- 20.25%)	(4)	-
Adjustments in respect of prior periods	(3)	-
Change in tax rate	(72)	-
	(79)	-

AUCHROBERT WIND ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 December 2016****6 Tangible fixed assets**

	Land	Property	Assets under construction	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2015	-	-	3,821	-
Additions	80	95	9,438	13,259
At 31 December 2015	80	95	13,259	13,434
Additions	-	-	36,731	36,731
At 31 December 2016	80	95	49,990	50,165
Accumulated depreciation				
At 1 January 2015	-	-	-	-
Charge	-	-	-	-
At 31 December 2015	-	-	-	-
At 1 January 2016	-	-	-	-
Charge	-	-	-	-
At 31 December 2016	-	-	-	-
Net book amount				
At 31 December 2016	80	95	49,990	50,165
At 31 December 2015	80	95	13,259	13,434

7 Deferred tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The gross movement on the deferred income tax account is as follows:

	2016	2015
	£'000	£'000
Beginning of year – asset	(2)	(2)
Profit and loss account credit	412	-
End of year - liability/ (asset)	410	(2)

AUCHROBERT WIND ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 December 2016****7 Deferred tax (continued)**

The movement in deferred tax assets and liabilities during the year is as follows:

	Accelerated capital allowances £'000
Deferred tax liabilities	
At 1 January 2015	(2)
Credited to the profit and loss account	-
At 31 December 2015	(2)
Credited to the profit and loss account	412
At 31 December 2016	410

These deferred tax balances are represented by:

	2016 £'000	2015 £'000
Fixed assets	418	-
Losses	(8)	(2)
	410	(2)

The calculation of deferred tax balances at the year-end takes into account the reduction, substantially enacted on 26 October 2015 in the UK main corporation tax rate to 19% effective from 1 April 2017 and a further reduction to 17% that will be effective from 1 April 2020, substantially enacted on 6 September 2016. Deferred tax in both the current and prior year has been calculated using the tax rates that are expected to apply in the periods in which timing differences reverse.

8 Trade and other debtors

	2016 £'000	2015 £'000
Current		
VAT receivable	2,759	382
Accrued income and prepayments	126	-
Amounts due from related parties (Note 14)	491	-
	3,376	382

9 Cash at bank and in hand

	2016 £'000	2015 £'000
Cash at bank and in hand	141	-

AUCHROBERT WIND ENERGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****Year ended 31 December 2016****10 Authorised and issued share capital**

	2016 Number	2015 Number	2016 £'000	2015 £'000
Authorised				
Ordinary shares with a par value of £1 each	100	100	-	-

All shares were issued on the date of incorporation 28 May 2014. There are no differential rights, restrictions or preferences attached to the different classes of shares above.

11 Provisions for liabilities and charges

	2016 £'000	2015 £'000
Provision made in year	1,137	-

The decommissioning provision of £1,137,000 comprises future obligations in relation to the decommissioning of plant and equipment at the end of its useful life, based on independent expert valuations.

12 Loans

	2016 £'000	2015 £'000
Current		
Amounts due to related parties (Note 14)	37,367	8,886

Amounts due to related parties are unsecured, have no fixed terms of repayment and carried interest at 11.50% to 12.50% per annum (2015:11.50% to 12.50%). The carrying value represents the fair value of the loan.

13 Trade and other creditors

	2016 £'000	2015 £'000
Trade creditors	14,334	697
Amounts due to related parties (Note 14)	381	4,242
Total trade and other creditors	14,715	4,939

AUCHROBERT WIND ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

Year ended 31 December 2016

14 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December with other related parties, are as follows:

		2016		2015	
		Due from related party £'000	Due to related party £'000	Due from related party £'000	Due to related party £'000
1. Parent Company	Trade	-	(381)	-	(4,242)
	Loans	-	(37,367)	-	(8,886)
	Other	447	-	-	-
2. Other subsidiary sisters	Other	44	-	-	-
	Total	491	(37,748)	-	(13,886)

15 Commitments

Capital commitments

At 31 December 2016, the Company was committed to £2,561,000 of capital expenditure (2015: £24,350,000).

Operating lease commitments

The Company leases the land on which the wind farm is erected under non-cancellable operating lease arrangements which are subject to contingent rents. All rent was capitalised in the period.

Total commitments including estimates of contingent rents are:

	2016 £'000	2015 £'000
Not later than 1 year	543	-
Between 1 year and 5 years	3,363	-
Later than 5 years	21,090	-
Balance at end of year	24,996	-

16 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Falck Renewables Wind Limited.

The ultimate parent undertaking and controlling party is Finmeria Srl, a company incorporated in Italy.

Finmeria Srl is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2016. The consolidated financial statements of Finmeria Srl are available from Corso Genova 5, 20123 Milano, Italy. Falck Renewables S.p.A is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Falck Renewables S.p.A can be obtained from via Alberto Falck 4-16, 20099 Sesto San Giovanni, Italy.