Registration number: 07033278

GLID Limited

Annual Report and Financial Statements

for the year ended 31 December 2016

GLID Limited

Contents

GLID Limited

Strategic Report for the year ended 31 December 2016

The Directors present their Strategic Report of GLID Limited ("the Company") for the year ended 31 December 2016.

Review of the business

The Company's Financial Statements have been prepared in accordance with Financial Reporting Standard 101: Reduced Disclosures Framework ('FRS 101').

The principal activity of the Company was the holding of its investment in GLID Wind Farms TopCo Limited, a joint venture between the Company and Boreas Holdings S.à.r.l..

Until 7 March 2016, the commercial performance of the joint venture was in line with expectations and all revenue was generated in the United Kingdom.

On 7 March 2016, each of GLID Limited and Boreas Holdings S.à.r.l. agreed to sell their respective 50% shareholding in GLID Wind Farms TopCo Limited to UK Green Investment LID Limited (60.8%), RI Income UK Holdings Limited (34.3%) and RI EU Holdings (UK) Limited (4.9%). After repayment of debt associated with the joint venture and other costs, the Company's net share of the proceeds was £52,616,000. This resulted in a profit on disposal of £9,932,000.

On 15 December 2016 the board authorised a capital reduction to the value of £53,684,372 and then proposed the payment of an interim dividend of £92,463,255 to the Company's immediate parent, Centrica Renewable Energy Limited. The dividend proposed was consistent with the amount of qualifying consideration available to leave £1 net assets in the Company.

Principal risks and uncertainties

Risks are formally reviewed and appropriate processes are put in place to monitor and mitigate them. Until 7 March 2016, the Company's principal risks were on the recovery of the carrying value of its investments and debenture loan with GLID Wind Farms TopCo Limited. In turn this risk was impacted by the availability of the wind farms and the sale of the related output by GLID Wind Farms TopCo Limited. The availability was driven by the technical performance of the wind turbines and ancillary equipment, and the physical access to the wind farms. These risks determined GLID Wind Farms TopCo Limited's ability to make loan and interest repayments and to pay dividends when appropriate.

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed on pages 56-64 of the Annual Report and Accounts 2016 of the Group which does not form part of this report.

Exit from the European Union
The UK referendum vote in June to leave the European Union has added to the uncertainties faced by the business. However, we believe that the direct impact on the business of these events is limited in the short-term. Many details of the implementation process remain unclear. Extricating from the European Union treaties is a task of immense complexity but with that being said, the business is well-positioned to manage any market impacts. There are also potential tax consequences of the withdrawal agreement which we will continue to reassess (at each reporting date) to ensure our tax provisions reflect the most likely outcome following the withdrawal.

Key performance indicators ('KPI's')
The Directors of the Centrica plc Group ('the Group') use a number of key performance indicators to monitor progress against the Group's strategy. The development and performance of the Group, which includes the Company, are discussed on pages 18-19 of the 2016 Annual Report and Accounts of the Group which does not form part of this report.

Future developments
On 7 March 2016 the Company sold its investment in GLID Wind Farms TopCo Limited, holding the investment was its principal and sole activity.

No further activity is planned and it is expected that the Company will become dormant in future periods.

This Strategic Report was approved by the Board on 18 August 2017.

J. ELLIOT

By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 07033278

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Directors' Report for the year ended 31 December 2016

The Directors present their report and the audited financial statements of GLID Limited for the year ended 31 December 2016.

Directors of the Company
The Directors who held office during the year and up to the date of signing this report were as follows:

R W Marsden

R M McCord

S P Redfern (resigned 28 February 2017)

M R Futyan (appointed 28 February 2017)

Results and dividends
The results of the Company are set out on page 8. The profit for the financial year ended 31 December 2016 was £19,823,000 (2015: £5,201,000). An interim dividend of £92,463,255 was proposed and paid on 20 December 2016 (2015: £nil). The Directors do not recommend the payment of a final dividend (2015: £nil).

Financial risk management

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed. Exposure to counterparty credit risk and liquidity risk arises in the normal course of the Company's business. Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly. Liquidity risk is managed through funding arrangements with Centrica plc.

The Company did not take part in hedging of any kind during the year (2015: nil).

Future developments
Future developments are discussed in the Strategic Report on page 1.

Going concern
The financial statements have been prepared on a going concern basis as Centrica plc, the ultimate parent company, intends to support the Company to ensure it can meet its obligations as they fall due. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after the financial statements were authorised.

Directors' liabilities
Directors' and officers' liability insurance has been purchased by the ultimate parent company, Centrica plc, and was in place throughout the period under review. The insurance does not provide cover in the event that the directors are proved to have acted fraudulently.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 FRS 101 has 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.

Disclosure of information to the auditors
Each of the Directors who held office at the date of approval of this Directors' Report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors
Following a rigorous selection by the Audit Committee of Centrica plc, Deloitte LLP was selected as the Group's external auditors for the financial year commencing from 1 January 2017. Consequently, PricewaterhouseCoopers LLP will remain auditors of GLID Limited until the formal resignation process has been completed later in 2017, after which Deloitte LLP will be appointed as auditors of GLID Limited.

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office, until the formal resignation process has been completed.

This report was approved by the Board on 18 August 2017.

J. ELLIOT

By order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales, No. 07033278

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Independent Auditors' Report to the Members of GLID Limited

Report on the financial statements

Our opinion

In our opinion, GLID Limited's financial statements (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;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Income Statement and Statement of Comprehensive Income for the year then ended ;
- the Statement of Changes in Equity as at 31 December 2016; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

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

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of GLID Limited (continued)

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

Responsibilities for the financial statements and the audit
Our responsibilities and those of the directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

Stuart Macdougall
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

Date: 18 August 2017

GLID Limited

Income Statement for the year ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Administrative expenses	4	(7)	(7)
Exceptional item - profit on disposal of investment in joint venture undertaking	5	9,932	-
Operating profit/(loss)		9,925	(7)
Finance income	7	10,639	6,935
Finance cost	7	(18)	(407)
		10,621	6,528
Profit before income tax		20,546	6,521
Income tax expense	9	(723)	(1,320)
Profit for the financial year		19,823	5,201

The notes on pages 12 to 21 form an integral part of these financial statements.

GLID Limited

Statement of Comprehensive Income for the year ended 31 December 2016

	2016 £ 000	2015 £ 000
Profit for the financial year	19,823	5,201
Total comprehensive income for the year	19,823	5,201

The notes on pages 12 to 21 form an integral part of these financial statements.

GLID Limited

Statement of Financial Position as at 31 December 2016

	Note	2016 £ 000	2015 £ 000
Non-current assets			
Investments	10	-	105,724
Current assets			
Cash and cash equivalents		-	3,521
Total assets		-	109,245
Current liabilities			
Trade and other payables	11	-	(15,631)
Borrowings	12	-	(20,974)
Creditors - amounts falling due within one year		-	(36,605)
Net assets		-	72,640
Equity			
Called up share capital	13	-	53,684
Retained earnings		-	18,956
Total equity		-	72,640

The financial statements on pages 8 to 21 were approved and authorised for issue by the Board of Directors on 18 August 2017 and signed on its behalf by:

Richard McCord

....

R M McCord

Director

Company number 07033278

GLID Limited

Statement of Changes in Equity for the year ended 31 December 2016

	Called up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2016	53,684	18,956	72,640
Profit for the financial year	-	19,823	19,823
Capital reduction	(53,684)	53,684	-
Dividends paid	-	(92,463)	(92,463)
Total comprehensive loss for the year	(53,684)	(18,956)	(72,640)
At 31 December 2016	-	-	-

The notes on pages 12 to 21 form an integral part of these financial statements.

1 General information

GLID Limited (the 'Company') is a company limited by shares and incorporated and domiciled in the UK.

The address of its registered office and principal place of business is:

Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

2 Accounting policies

Basis of preparation
These financial statements were prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework.

Summary of disclosure exemptions
These financial statements are presented in pound sterling (with all values rounded to the nearest thousand pounds (£000) except when otherwise indicated), which is also the functional currency of the Company. Operations and transactions conducted in currencies other than the functional currency are translated in accordance with the foreign currencies accounting policy set out below.

The financial statements are prepared on the historical cost basis.

The Company is exempt under IAS 28 from equity accounting its interest in the joint venture. These financial statements present information about the Company as an individual undertaking and not about its group, and have been prepared on a going concern basis, as described in the Directors' Report.

In preparing these financial statements the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ('adopted IFRSs'), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

• A Cash Flow Statement and related notes;
• Comparative period reconciliations for tangible fixed assets and intangible assets;
• Comparative period reconciliations for share capital;
• Disclosures in respect of related parties transactions with wholly-owned subsidiaries;
• Disclosures in respect of the compensation of key management personnel;
• Disclosures in respect of capital management; and
• The effects of new but not yet effective IFRSs.

2 Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis as Centrica plc, the ultimate parent company, intends to support the Company to ensure it can meet its obligations as they fall due. The Directors have received confirmation that Centrica plc intends to support the Company for at least one year after the financial statements were authorised.

Exemption from preparing group financial statements

The Company is exempt by virtue of the Companies Act 2006 from the requirement to prepare group financial statements as it is a wholly-owned subsidiary of Centrica plc. These financial statements present information about the Company as an individual undertaking and not about its group, and have been prepared on a going concern basis, as described in the Directors' Report.

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.

Interest in joint arrangements and associates

Under IFRS 11, joint arrangements are those that convey joint control which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor.

Investments consist of an equity interest in, and loans to, the joint venture. The Company's joint venture is accounted for at cost in accordance with IAS 27, less any provision for impairment as necessary.

Loans receivable from joint venture are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the loan. They are subsequently carried at amortised cost using the effective interest rate method less any allowance for estimated impairments. A provision is established for impairments where there is objective evidence that the Company will not be able to collect all amounts due under the original terms of the loan, with the cost recognised in the income statement.

Interest income on the loan to the joint venture is recognised on the basis of the effective interest rate method and is included as finance income within the income statement.

Finance income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying value.

Foreign currencies

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing at the reporting period date, and associated gains and losses are recognized in the income statement for the period. Non-monetary items that are measured at historical cost in a currency other than the functional currency of the Company are translated using the exchange rate prevailing at the dates of the initial transaction and are not retranslated. Non-monetary items measured at fair value in foreign currencies are retranslated at the rates prevailing at the date when the fair value was measured.

2 Accounting policies (continued)

Taxation

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill (if impairment of goodwill is not deductible for tax purposes) or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax liabilities are offset against deferred tax assets when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future, against which the deductible temporary difference can be utilised.

Deferred tax is provided on temporary differences arising on subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Measurement of deferred tax liabilities and assets reflects the tax consequences expected from the manner in which the asset or liability is recovered or settled.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the Company no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are de-recognised when the obligation under the liability is discharged, cancelled or expires.

The carrying amounts of the Company's financial assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, excluding future credit losses that have not been incurred. The impairment loss is recognised in the income statement. If an impairment loss recognised in prior periods decreases as a result of an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed, with the amount of the reversal recognised in the income statement.

2 Accounting policies (continued)

Trade and other payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Trade payables are initially recognised at fair value, which is usually original invoice amount and are subsequently held at amortised cost using the EIR method (although, in practice, the discount is often immaterial). If payment is due within one year or less payables are classified as current liabilities. If not, they are presented as non-current liabilities.

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. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are re-acquired (treasury or own shares) are deducted from equity. No gain or loss is recognised in the Company's income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

Interest-bearing loans and other borrowings
All interest-bearing (and interest free) loans and other borrowings with banks or similar institutions and 'intercompany entities' are initially recognised at fair value net of directly attributable transaction costs (if any, in respect of 'intercompany funding'). After initial recognition, these financial instruments are measured at amortised cost using the EIR method, except when they are the hedged item in an effective fair value hedge relationship where the carrying value is also adjusted to reflect the fair value movements associated with the hedged risks. Such fair value movements are recognised in the Company's income statement. Amortised cost is calculated by taking into account any issue costs, discount or premium, when applicable.

3 Critical accounting judgements and key sources of estimation uncertainty

Investment in joint-ventures
The Company reviews the carrying amount of its investment in the joint venture, as well as the related receivables, for indicators of impairment and tests for impairment where such indicator arises.

On 7 March 2016 the Company and its 50% joint venture partner Boreas Holdings S.à.r.l. agreed a joint sale of GLID Wind Farms TopCo Limited, to UK Green Investment LID Limited (60.8%), RI Income UK Holdings Limited (34.3%) and RI EU Holdings (UK) Limited (4.9%). As a result the Company no longer holds its investment in this joint venture. On 20 December 2016 the Company paid an interim dividend to its parent company, Centrica Renewable Energy Limited of £92,463,255 leaving the Company with £nil remaining net assets.

4 Analysis of costs by nature

	2016 Total costs £ 000	2015 Total costs £ 000
Administrative expenses	7	7
Total operating costs by nature	7	7

5 Exceptional item

On 7 March 2016, each of GLID Limited and Boreas Holdings S.à.r.l. agreed to sell their respective 50% shareholding in GLID Wind Farms TopCo Limited to UK Green Investment LID Limited (60.8%), RI Income UK Holdings Limited (34.3%) and RI EU Holdings (UK) Limited (4.9%). After repayment of debt associated with the joint venture and other costs, the Company's net share of the proceeds was £52,616,000. This resulted in a profit on disposal of £9,932,000.

6 Employees' costs

The Company has no employees (2015: nil) and no staff costs (2015: £nil). Any costs relating to employees are borne by other Centrica Group companies.

The emoluments of all of the Directors are not paid to them in their capacity as Directors of the Company and are payable for services wholly attributable to other Centrica plc subsidiary undertakings. Accordingly, no details in respect of their emoluments have been included in these financial statements (2015: nil).

7 Finance income/cost

Finance income

	2016 £ 000	2015 £ 000
Interest income from amounts owed by Group undertakings	2,269	-
Interest income from amounts owed by joint venture undertaking	1,370	6,935
Dividend income from joint venture undertaking	7,000	-
Total finance income	10,639	6,935

Finance cost

	2016 £ 000	2015 £ 000
Interest on amounts owed to Group undertakings	-	(301)
Interest on amounts owed to joint venture undertaking	(18)	(106)
Total finance cost	(18)	(407)

8 Auditors' remuneration

The Company paid the following amounts to its auditors in respect of the audit of the financial statements of the Company.

	2016 £ 000	2015 £ 000
Audit of the financial statements	7	7

In addition to the costs of £7,000 for the audit of the financial statements there were costs of £21,000 (2015: £nil) associated with the audit of Group schedules which were borne by Centrica plc.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the Annual Report and Accounts of its ultimate parent, Centrica plc.

9 Income tax

Tax charged in the income statement

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax at 20% (2015: 20.25%)	**723**	1,320
Deferred taxation		
Total deferred taxation	**-**	-
Tax expense in the income statement	**723**	1,320

Factors affecting total tax charge for the current year

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £ 000	2015 £ 000
Profit before taxation	**20,546**	6,521
Tax on profit at standard UK tax rate of 20% (2015: 20.25%)	**4,109**	1,320
Effects of:		
Income not taxable	**(3,386)**	-
Tax charge for the year	**723**	1,320

The Company earns all of its profits in the UK. All of these UK activities are subject to the standard rate for UK corporation tax, which from 1 April 2016 was 20% (2015: 20.25%).

The main rate of corporation tax for the year to 31 December 2016 was 20%. The corporation tax rate will reduce to 19% with effect from 1 April 2017 and to 17% with effect from 1 April 2020 following the enactment of Finance (No 2) Act 2015 and Finance Act 2016 respectively. These enacted rates have been reflected in these financial statements when providing for deferred tax.

10 Investments

	Debenture loan to joint venture £ 000	Participating interests (joint venture) £ 000	Total £ 000
Cost			
At 1 January 2016	63,040	42,684	105,724
Additions	1,370	-	1,370
Disposals	(64,410)	(42,684)	(107,094)
At 31 December 2016	-	-	-
Net book values			
At 31 December 2016	-	-	-
At 31 December 2015	63,040	42,684	105,724

The investment in GLID Wind Farms TopCo Limited historically comprised the share investment, amounting to £42,684,000, and the debenture loan investment, upon which interest was chargeable at 12% per annum and was compounding. The initial value of this debenture loan was £41,212,000 and as at 7 March 2016 the value of the accumulated interest was £23,198,000.

On 7 March 2016 the Company and its 50% joint venture partner Boreas Holdings S.à.r.l. agreed a joint sale of the GLID Wind Farms TopCo Limited, a company registered in England and Wales to a consortium, comprising the UK Green Investment Bank Offshore Wind Fund and funds managed by BlackRock. After repayment of debt associated with the joint venture and other costs, the Company's net share of the proceeds was £52,616,000 effectively thereby disposing of the initial investment.

As part of this, the debenture loan to GLID Wind Farms TopCo Limited of £41,212,000 was repaid in full on 7 March 2016 following the disposal. The notes bore interest on their outstanding principal amount at a rate of 12% per annum. The notes were unsecured and due to be repaid on 24 October 2059. During the year total interest of £1,370,000 (2015: £6,935,000) (note 7) had accrued on these loan notes and £23,198,000 (2015: £nil) interest was repaid. The total amount of interest outstanding at 31 December 2016 was £nil (2015: £21,828,000).

11 Trade and other payables

	2016 Current £ 000	2015 Current £ 000
Accrued expenses	-	7
Amounts owed to Group undertakings	-	15,624
	-	15,631

Amounts owed to Group undertakings include £nil (2015: £14,304,000) that bears interest at a quarterly rate determined by Group Treasury and linked to the Group cost of funds. The range of the quarterly rate charged was between 3.04% and 4.04% per annum (2015: 2.36% and 2.88%). All amounts owed to Group undertakings are unsecured and repayable on demand.

12 Borrowings

	2016 £ 000	2015 £ 000
Current borrowings		
Loan from Joint Venture	-	20,974

The loan from the joint venture was repaid in full on 7 March 2016 following the disposal of GLID Wind Farms TopCo Limited. The interest rate charged on this loan was LIBOR, and total interest of £18,000 had accrued during the period from 1 January 2016 to 7 March 2016 (2015: £106,000), of which £nil was outstanding at 31 December 2016 (2015: £nil).

13 Called up share capital

Allotted and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	1	1	53,684,373	53,684,373

On 15 December 2016 the Directors approved a capital reduction to the value of £53,684,372.

Retained earnings

The balance classified as retained earnings includes the profits and losses realised by the Company in previous periods that were not distributed to the shareholders of the Company at the balance sheet date.

14 Financial risk management

The Directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed. Exposure to counterparty credit risk and liquidity risk arises in the normal course of the Company's business:

- Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly.
- Liquidity risk is managed through funding arrangements with Centrica plc.

The Company did not take part in hedging of any kind during the year (2015: nil).

15 Related party transactions

During the period, the Company entered into arm's length transactions with the following related party: GLID Wind Farms TopCo Limited, a joint venture company.

At 31 December 2016 the total amount loaned by GLID Wind Farms TopCo Limited to the Company was £nil (2015: £20,974,000) (note 12). The loan was due on 30 June 2024, but repayable on demand and was be redeemed by the Company on 7 March 2016. The interest rate charged was LIBOR. During the year interest of £18,000 had accrued on this loan (2015: £106,000 (note 7), of which £nil was outstanding at 31 December 2016 (2015: £nil) (note 12).

On 4 November 2009, GLID Wind Farms TopCo Limited issued £41,212,000 in loan notes to the Company in the form of a shareholder loan (note 10). The notes bore interest on their outstanding principal amount at a rate of 12% per annum. The notes were unsecured and were due on 24 October 2059 but were redeemed in full by GLID Wind Farms TopCo Limited on 7 March 2016. During the year total interest of £1,370,000 (2015: £6,935,000) had accrued on these loan notes (note 7) and £23,198,000 was repaid during the year (2015: £nil). Outstanding interest at 31 December 2016 was £nil (2015: £21,828,000) (note 10).

16 Parent and ultimate parent undertaking

The immediate parent undertaking is Centrica Renewable Energy Limited, a company registered in England and Wales.

The ultimate parent and controlling party is Centrica plc, a company registered in England and Wales, which is the only company to include these financial statements in its consolidated statements. Copies of the Centrica plc consolidated financial statements may be obtained from www.centrica.com. These financial statements are available upon request from www.centrica.com.