Registration number: 07033278

GLID Limited

Annual Report and Financial Statements

for the year ended 31 December 2015

GLID Limited

Contents

GLID Limited

Strategic Report for the year ended 31 December 2015

The Directors present their Strategic Report of GLID Limited ("the Company") for the year ended 31 December 2015.

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 Company's transition date to FRS 101 was 1 January 2014 and comparatives have been restated accordingly. For details of the transition to FRS 101 and the effect of the change on the Company's financial position, see note 2 and 17.

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., which was sold on 7 March 2016, see Future developments.

During the year, the commercial performance of the joint venture was in line with expectations and all revenue was generated in the United Kingdom.

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

In June 2016, a UK referendum resulted in a vote for the country to leave the European Union and the resultant uncertainty adds to the challenges for UK businesses in all sectors. This uncertainty may lead to volatility in markets with potential fluctuations in foreign exchange rates, interest rates and commodity prices. Sensitivity analysis associated with the Group's exposure to currency, interest rate and commodity price risk was included in note S3 of the Group's consolidated Financial Statements for the year ended 31 December 2015.

Overall, management assesses the direct impacts on the Company to be minimal in the short term. The Company's focus is now on understanding what the result means for energy and other material business regulations over time and how this would impact the competitiveness of the European energy markets. The UK is a major energy importer and what happens in the European energy market will ultimately impact energy consumers in the UK. The Company does not export its products and services to EU countries nor does it have material exposure to currency risks.

Key performance indicators ('KPIs')
The Directors of the Centrica 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 20-21 of the 2015 Annual Report and Accounts of the Group which does not form part of this report.

GLID Limited

Strategic Report for the year ended 31 December 2015 (continued)

Future developments

The Company continued to hold its 50% share in its joint venture, GLID Wind Farms TopCo Limited, until 7 March 2016 when the Company and its 50% joint venture partner Boreas Holdings S.à.r.l. agreed a joint sale of 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 million.

As at 31 December 2015, management considered that the disposal group did not meet the IFRS 5: 'Non-current assets held for sale and discontinued operations' criteria to be classified as held for sale.

This Strategic Report was approved by the Board on 15 SEPTEMBER 2016.

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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

GLID Limited

Directors' Report for the year ended 31 December 2015

The Directors present their report and the audited financial statements of GLID Limited for the year ended 31 December 2015.

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

Results and dividends
The results of the Company are set out on page 7. The profit for the financial year ended 31 December 2015 was £(5,201,000) (2014: £4,679,000). No dividends were paid for the year (2014: £nil). The Directors do not recommend the payment of a final dividend (2014: £nil).

Objectives and policies

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 (2014: nil).

Post balance sheet events
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 million.

As at 31 December 2015, management considered that the disposal group did not meet the IFRS 5: 'Non-current assets held for sale and discontinued operations' criteria to be classified as held for sale.

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 Director is proved to have acted fraudulently.

Directors' Report for the year ended 31 December 2015 (continued)

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 prepared 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.

Reappointment of auditors

In accordance with section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

This report was approved by the Board on 15 SEPTEMBER 2016.

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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

GLID Limited

Independent Auditor's 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 2015 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 2015;
- the Income Statement and Statement of Comprehensive Income for the year then ended ;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include 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;
- 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.

GLID Limited

Independent Auditor's 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 Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisifed 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.

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Mark King (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

.............................2016

GLID Limited

Income Statement for the year ended 31 December 2015

	Note	2015 £ 000	2014 £ 000
Administrative expenses	4	(7)	(7)
Operating loss		(7)	(7)
Finance income	6	6,935	6,228
Finance cost		(407)	(261)
	6	6,528	5,967
Profit before income tax		6,521	5,960
Income tax expense	8	(1,320)	(1,281)
Profit for the financial year		5,201	4,679

The notes on pages 11 to 22 form an integral part of these financial statements.

GLID Limited

Statement of Comprehensive Income for the year ended 31 December 2015

	2015 £ 000	2014 £ 000
Profit for the financial year	5,201	4,679
Total comprehensive income for the year	5,201	4,679

The notes on pages 11 to 22 form an integral part of these financial statements.

GLID Limited

Statement of Financial Position as at 31 December 2015

	Note	2015 £ 000	2014 £ 000
Non-current assets			
Investments	9	105,724	98,789
Current assets			
Cash and cash equivalents		3,521	3,521
Total assets		109,245	102,310
Current liabilities			
Trade and other payables	10	(15,631)	(13,897)
Borrowings	11	(20,974)	(20,974)
Creditors - amounts falling due within one year		(36,605)	(34,871)
Net assets		72,640	67,439
Equity			
Called up share capital	12	53,684	53,684
Retained earnings		18,956	13,755
Total equity		72,640	67,439

The financial statements on pages 7 to 22 were approved and authorised for issue by the Board of Directors on 15 September 2016 and signed on its behalf by:

Richard McCord

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R M McCord

Director

Company number 07033278

GLID Limited

Statement of Changes in Equity for the year ended 31 December 2015

	Called up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2015	53,684	13,755	67,439
Profit for the financial year	-	5,201	5,201
Total comprehensive income for the year	-	5,201	5,201
At 31 December 2015	53,684	18,956	72,640

	Called up share capital £ 000	Retained earnings £ 000	Total equity £ 000
At 1 January 2014	53,684	9,076	62,760
Profit for the financial year	-	4,679	4,679
Total comprehensive income for the year	-	4,679	4,679
At 31 December 2014	53,684	13,755	67,439

The notes on pages 11 to 22 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
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 the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has effected the reported financial position, financial performance and cash flows of the Company is provided in note 17.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemptions have been taken in these financial statements:

• Investments in joint ventures - on transition to FRS 101, investments in joint ventures are measured at deemed cost, being the previous GAAP carrying value of the investment.

2 Accounting policies (continued)

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;
• 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.

Note that the Company has early adopted the following amendments to FRS 101 (effective for periods beginning on or after 1 January 2016) in these financial statements:

• Presentation of IAS format financial statements;
• Exemption from the presentation of a third balance sheet (being the opening balance sheet of the Company at the date of application of FRS 101).

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.

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.

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.

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

Current tax, including UK corporation tax, UK petroleum revenue tax and foreign 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.

Interest in joint arrangements

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. The Company's joint ventures are accounted for at cost in accordance with IAS 27, less any provision for impairment as necessary.

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.

2 Accounting policies (continued)

Trade and other receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade receivables are initially recognised at fair value, which is usually original invoice amount and are subsequently held at amortised cost using the effective interest rate ('EIR') (although in practice the discounting is often immaterial) less an allowance for any uncollectible amounts. Provision is made when there is objective evidence that the Group may not be able to collect the trade receivable. Balances are written off when recoverability is assessed as being remote. If collection is due in one year or less receivables are classified as current assets. If not they are presented as non-current assets.

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.

As at 31 December 2015, management considered that the investment in GLID Windfarms TopCo Limited did not meet the IFRS 5: 'Non-current assets held for sale and discontinued operations' criteria to be classified as held for sale. A sale was not considered to be highly probable within one year. Although plans to sell the investment in GLID Windfarms Topco Limited had been announced and negotiations with buyers had commenced, there was significant uncertainty at the balance sheet date as to whether a sale could be completed in its present condition within one year given the complex and unique nature of the deal being proposed for an offshore wind farm asset.

4 Analysis of costs by nature

	2015		2014	
	Other operating costs £ 000	Total costs £ 000	Other operating costs £ 000	Total costs £ 000
Administrative expenses	7	7	7	7
Total operating costs by nature	7	7	7	7

5 Employees' costs

The Company has no employees (2014: nil) and no staff costs (2014: £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 (2014: nil).

6 Finance income/cost

Finance income

	2015 £ 000	2014 £ 000
Interest income from amounts owed by joint venture undertaking	6,935	6,228

Finance cost

	2015 £ 000	2014 £ 000
Interest on amounts owed to group undertakings	(301)	(196)
Interest on amounts owed to joint venture undertaking	(106)	(65)
Total finance cost	(407)	(261)

7 Auditors' remuneration

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

	2015 £ 000	2014 £ 000
Audit of the financial statements	7	7

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.

8 Income tax

Tax charged in the income statement

	2015 £ 000	2014 £ 000
Current taxation		
UK corporation tax at 20.25% (2014: 21.5%)	1,320	1,281
Deferred taxation		
Total deferred taxation	-	-
Tax expense in the income statement	1,320	1,281

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 2015 was 20.25% (2014: 21.5%).

The main rate of corporation tax was reduced to 20% from 1 April 2015. Further reductions were enacted by Finance (No. 2) Act 2015 to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020. These enacted reduced rates of corporation tax have been reflected within these financial statements. The Chancellor of the Exchequer has announced a further reduction in the rate, to 17% from 1 April 2020 which is expected to be substantively enacted as part of the Summer Finance Bill 2016 and is therefore not reflected in these financial statements. As such, the previously enacted rate of 18% from 1 April 2020 will not come into effect. The impact of the reduction in the corporation tax rate to 17% on the financial statements is not expected to be significant.

There are no differences between the taxes shown above and the amounts calculated by applying the standard rate of UK corporation tax to the profit before income tax.

9 Investments

	Debenture loan to joint venture £ 000	Participating interests (Joint venture) £ 000	Total £ 000
Cost			
At 1 January 2014	53,377	42,684	96,061
Additions	6,228	-	6,228
Repayment of loan	(3,500)	-	(3,500)
At 31 December 2014	56,105	42,684	98,789
At 1 January 2015	56,105	42,684	98,789
Additions	6,935	-	6,935
At 31 December 2015	63,040	42,684	105,724
Net book values			
At 31 December 2015	63,040	42,684	105,724
At 31 December 2014	56,105	42,684	98,789

Details of the equity interests of the Company in its joint venture undertakings are as follows as at 31 December 2015:

Name of joint venture	Principal activity	Class of shares held	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held 2015	2014
GLID Wind Farms TopCo Limited	Operation of offshore wind farms	Ordinary shares	England and Wales	50%	50%

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 million.

9 Investments (continued)

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 £6,935,000 (2014: £6,228,000) (note 6) had accrued on these loan notes and £nil (2014: £3,500,000) interest was repaid. The total amount of interest outstanding at 31 December 2015 was £21,828,000 (2014: £14,893,000).

During the year GLID Wind Farms TopCo Limited made a loss after taxtion of £6,180,000 (2014: 15,557,000). The equity shareholders' funds at 31 December 2015 were £31,345,000 (2014: £34,835,000 restated).

10 Trade and other payables

	2015 Current £ 000	2014 Current £ 000
Accrued expenses	7	7
Amounts owed to group undertakings	15,624	13,890
	15,631	13,897

Amounts owed to group undertakings include £14,304,000 (2014: £13,890,000) 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 2.36% and 2.88% per annum (2014: 1.69% and 1.90%). All amounts owed to group undertakings are unsecured and repayable on demand.

11 Borrowings

	2015 £ 000	2014 £ 000
Current borrowings		
Loan from Joint Venture	20,974	20,974

The loan from the joint venture was repaid in full on 7 March 2016 following the disposal of GLID Wind Farms TopCo Ltd. The interest rate charged on this loan was LIBOR, and total interest of £106,000 had accrued at 31 December 2015 (2014: £65,000), of which £nil was outstanding at 31 December 2015 (2014: £nil).

12 Called up share capital

Allotted and fully paid shares

	2015		2014	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	53,684	53,684	53,684	53,684

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.

13 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 (2014: nil).

14 Related party transactions

During the year, 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 2015 the total amount loaned by GLID Wind Farms TopCo Limited to the Company was £20,974,000 (2014: £20,974,000) (note 11). The loan is due on 30 June 2024, but it is repayable on demand and may be redeemed by the Company at any time. The interest rate charged is LIBOR. During the year interest of £106,000 had accrued on this loan (2014: £65,000 (note 6), of which £nil was outstanding at 31 December 2015 (2014: £nil) (note 11).

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 9). The notes bear interest on their outstanding principal amount at a rate of 12% per annum. The notes are unsecured and are due on 24 October 2059 but may be redeemed by GLID Wind Farms TopCo Limited at any time. During the year total interest of £6,935,000 (2014: £6,228,000) had accrued on these loan notes (note 6) and £nil was repaid during the year (2014: £3,500,000). Outstanding interest at 31 December 2015 was £21,828,000 (2014: £14,893,000) (note 9).

15 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.

16 Events after the financial period

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 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 million resulting in a profit on disposal of £10 million.

As at 31 December 2015, management considered that the disposal group did not meet the IFRS 5: 'Non-current assets held for sale and discontinued operations' criteria to be classified as held for sale. A sale was not considered to be highly probable within one year. Although plans to sell the disposal group had been announced and negotiations with buyers had commenced, there was significant uncertainty at the balance sheet date as to whether a sale could be completed in its present condition within one year given the complex and unique nature of the deal being proposed for an offshore wind farm asset.

In June 2016, a UK referendum resulted in a vote for the country to leave the European Union and the resultant uncertainty adds to the challenges for UK businesses in all sectors. This uncertainty may lead to volatility in markets with potential fluctuations in foreign exchange rates, interest rates and commodity prices. Sensitivity analysis associated with the Group's exposure to currency, interest rate and commodity price risk was included in note S3 of the Group's consolidated Financial Statements for the year ended 31 December 2015.

Overall, management assesses the direct impacts on the Company to be minimal in the short term. The Company's focus is now on understanding what the result means for energy and other material business regulations over time and how this would impact the competitiveness of the European energy markets. The UK is a major energy importer and what happens in the European energy market will ultimately impact energy consumers in the UK. The Company does not export its products and services to EU countries nor does it have material exposure to currency risks.

17 Transition to FRS 101

As stated in the 'basis of preparation' note, these are the Company's first Financial Statements prepared in accordance with FRS 101. The accounting policies set out in the policies note have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the 'Company's date of transition').

In preparing its FRS 101 balance sheet, the Company has not been required to adjust any amounts reported previously in its financial statements prepared in accordance with its old basis of accounting (UK GAAP).