GREENER IDEAS LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

GREENER IDEAS LIMITED

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

CONTENTS

DIRECTORS AND OTHER INFORMATION

DIRECTORS	B. Keogh E. Keogh H. Smyth B. Murphy
SECRETARY	L. O'Riordan
REGISTERED OFFICE	Webworks Eglinton Street Cork
SOLICITORS	Arthur Cox Earlsfort Centre Earlsfort Terrace Dublin 2
BANKERS	Allied Irish Banks Plc 66 South Mall Cork
AUDITOR	Deloitte Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2
COMPANY NUMBER	454687

DIRECTORS' REPORT

The directors present their annual report together with the audited financial statements of Greener Ideas Limited ('the Company') for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company was established by Mountside Partners Limited to act as a development vehicle for four separate open cycle gas turbine projects located in Ireland. The Company is jointly owned by Ervia and Mountside Partners Limited. The Company did not trade during the year. As at 31 December 2015, a receivable of €100,000 is due from Galway County Council for costs previously incurred and capitalised relating to a compulsory purchase order. During the year ended 31 December 2014, a refund of €110,000 was received from Mayo County Council for costs previously incurred and capitalised relating to a deposit to purchase a site for development which the Company subsequently withdrew from.

In February 2016 Ervia launched an open process to sell its shareholding in the Company. On 28 June 2016, the Ervia board approved the sale of its shareholding, including the novation of its loan receivable of €5,668,678 to the preferred purchaser. At the date of signing of the financial statements, the sale completion process was still ongoing, but expected to be completed by September 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks associated with the activity of the Company include external factors affecting capital build out costs, the possibility of a delay to the commercial operations date and volatility of future electricity prices. Further risks and uncertainties are considered below.

Eirgrid notified the Company during 2014 of its intention to terminate the transmission connection agreements on two of the Company's sites and has sought to drawdown two bonds with a value of €1,964,000 in relation to the two sites. The Company does not agree with Eirgrid's actions and submitted a dispute notice to the Commission for Energy Regulation (CER). The Company is awaiting the decision of the CER in relation to the dispute.

The bonds above had been provided to Eirgrid by one of the current Company's shareholders. The shareholder also provided a further bond of €984,000 in respect of the Company's third site. In the event that the Company does not meet its obligations under the connection agreement for this third site, the connection agreement could potentially be terminated and the bond drawn down. The Company provided an indemnity to one of its shareholders for any loss suffered by the shareholder pursuant to the bonds above. The Company could be called upon, under its indemnity, to pay the shareholder up to €2,948,000 in addition to any further costs incurred by the shareholder to the extent that the bonds are drawn down by Eirgrid. No claim on the indemnity has been made to date.

RESULTS AND DIVIDENDS

The statement of comprehensive income for the year ended 31 December 2015 and balance sheet as at 31 December 2015 are set out on pages 8 and 9 respectively. The Company did not trade during the year as its assets are still in the course of construction. The directors do not propose the payment of a dividend for 2015 (2014: €Nil).

ACCOUNTING RECORDS

To ensure that proper books and accounting records are kept in accordance with Sections 281-285 of the Companies Act 2014, the directors have employed appropriately qualified accounting personnel and have maintained appropriate computerised accounting systems. The accounting records are located at Webworks, Eglinton Street, Cork.

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DIRECTORS' AND SECRETARY'S INTEREST IN SHARES

The names of the persons who were directors and secretary at any time during and since the year ended 31 December 2015 are set out below:

B. Keogh
E. Keogh
H. Smyth
B. Murphy
L. O'Riordan - Secretary

In accordance with the Articles of Association, the directors are not required to retire by rotation. The directors and secretary had no interest in the share capital of the Company at any time during the year. H. Smyth and the company secretary are beneficiaries of the Employee Share Ownership Plan of Ervia.

SUBSEQUENT EVENTS

In February 2016 Ervia launched an open process to sell its shareholding in the Company. On 28 June 2016, the Ervia board approved the sale of its shareholding, including the novation of its loan receivable of €5,668,678 to the preferred purchaser. At the date of signing of the financial statements, the sale completion process was still ongoing, but expected to be completed by September 2016.

GOING CONCERN

The financial statements have been prepared on the going concern basis, assuming that the Company will be able to pay all trade and other payables as disclosed in note 10.

The directors have considered the appropriateness of preparing the financial statements on a going concern basis in light of the loss for the year, recent market developments with DS3, the potential sale of Ervia's shareholding, the Company's cash position, subsequent events and any potential contingent liability arising. Having considered the Company's financial position, and the continued support of its shareholders, the directors are satisfied that there will be sufficient funds available to enable the Company to continue in operation for the foreseeable future. Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

The directors acknowledge that there are certain circumstances in which the Company could be liable to pay one of its shareholders in relation to the contingent liability set out in note 12.

AUDITOR

The auditor, Deloitte, Chartered Accountants and Statutory Audit Firm, continues in office in accordance with Section 383(2) of the Companies Act 2014.

For and on behalf of Greener Ideas Limited:

Director H. SMYTH	Director B. KEOGH	19th August 2016 Date of Approval

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("relevant financial reporting framework"). 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 assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act 2014 and enable the financial statements to be audited. 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.

For and on behalf of Greener Ideas Limited:

Director	Director	19th August 2016
H. SMYTH	B. KEOGH	Date of Approval

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

GREENER IDEAS LIMITED

We have audited the financial statements of Greener Ideas Limited for the financial year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes 1 to 16. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and International Financial Reporting Standards (IFRS) as adopted by the European Union ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Reports and Financial Statements for the financial year ended 31 December 2015 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 assets, liabilities and financial position of the Company as at 31 December 2015 and of the loss for the year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

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Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Gerard Fitzpatrick
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 19/8/2016

GREENER IDEAS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 €'000	2014 €'000
OPERATING COSTS			
Operating costs (excluding depreciation and amortisation)		(51)	(101)
OPERATING LOSS		(51)	(101)
Refund	3	100	110
Net finance costs	4	(745)	(745)
LOSS FOR THE YEAR		(696)	(736)

GREENER IDEAS LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Notes	2015 €'000	2014 €'000
ASSETS			
Property, plant and equipment	5	1,350	1,350
Total non-current assets		1,350	1,350
Trade and other receivables	6	102	-
Cash and cash equivalents	7	202	311
Total current assets		304	311
TOTAL ASSETS		1,654	1,661
EQUITY AND LIABILITIES			
Called up share capital presented as equity	8	(1,875)	(1,875)
Retained earnings	9	11,245	10,549
TOTAL EQUITY		9,370	8,674
LIABILITIES			
Trade and other payables	10	(11,010)	(10,265)
Total non-current liabilities		(11,010)	(10,265)
Trade and other payables	10	(14)	(70)
Total current liabilities		(14)	(70)
TOTAL LIABILITIES		(11,024)	(10,335)
TOTAL EQUITY AND LIABILITIES		(1,654)	(1,661)

The financial statements were approved by the board of directors and signed on its behalf by:

Director
H. SMYTH

Director
B. KEOGH

19th August 2016
Date of Approval

GREENER IDEAS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 €'000	2014 €'000
Cash flows from operating activities			
Loss for the year		(696)	(736)
Adjustments for:			
Net finance costs		745	745
		49	9
Working capital changes:			
Change in trade and other receivables		(102)	8
Change in trade and other payables		(56)	45
Net cash generated from operating activities		(109)	62
Cash flows from financing activities			
Proceeds from borrowings		-	21
Net cash generated from financing activities		-	21
Net (decrease)/increase in cash and cash equivalents		(109)	83
Cash and cash equivalents at 1 January		311	228
Cash and cash equivalents at 31 December	7	202	311

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital €'000	Retained earnings €'000	Total €'000
Balance at 31 December 2014	1,875	(10,549)	(8,674)
Loss for the year	-	(696)	(696)
Balance at 31 December 2015	1,875	(11,245)	(9,370)

1. STATEMENT OF ACCOUNTING POLICIES

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

1.1. Basis of preparation

Greener Ideas Limited (the Company) is a limited company incorporated in Ireland. It is a joint venture between Mountside Partners Limited and Ervia.

The financial statements are presented in euro and are prepared on a historical cost basis.

The directors have considered the appropriateness of preparing the financial statements on a going concern basis in light of the loss for the year, recent market developments with DS3, the potential sale of Ervia's shareholding, the Company's cash position, subsequent events and any potential contingent liability arising. Having considered the Company's financial position and the continued support of its shareholders, the directors are satisfied that there will be sufficient funds available to enable the Company to continue in operation for the foreseeable future. Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

i. Statement of Compliance

The financial statements are prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the EU ('EU IFRS'), International Financial Reporting Interpretations Committee ('IFRIC') and in accordance with the Companies Act 2014.

The financial statements have been prepared in accordance with those IFRSs and IFRIC interpretations issued and effective for accounting periods ending on or before 31 December 2015.

ii. Use of estimates and judgements

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

The principal estimates and judgements are described below. Given their importance in the Company's financial statements, the impact of any change in assumption in these areas could be significant.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which these estimates are revised and in any future periods affected.

Impairment of long-term assets
Impairment tests on long-term assets are sensitive to the macro-economic and segment assumptions used, and medium-term financial forecasts. The Company therefore revises the underlying estimates and assumptions based on regularly updated information.

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1. STATEMENT OF ACCOUNTING POLICIES - continued

1.1. Basis of preparation - continued

ii. Use of estimates and judgements - continued

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

Contingent liabilities
A contingent liability is not recognised but is disclosed where the existence of the obligation will only be confirmed by future events or where it is not probable that an outflow of resources will be required to settle the obligation or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised but are disclosed where an inflow of economic benefits is probable.

1.2. New accounting standards and interpretations

In the current year, the Company has applied a number of new and revised IFRS, as set out below, that are mandatorily effective under IFRS, as endorsed by the EU, for accounting periods beginning on or after 1 January 2015. The application of these amendments to standards did not have a material impact on the Greener Ideas Limited financial statements for 2015.

Table 1: New standards, amendments to standards and interpretations

Standard/Amendment	Effective Date (as endorsed by the EU)	Endorsed by the EU
Annual Improvements to IFRS 2010-2012	1 July 2014	December 2014
Annual Improvements to IFRS 2011-2013	1 July 2014	December 2014
Amendment to IAS 19 Defined Benefit Plans: Employee Contributions	1 July 2014	December 2014

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2015 and have not been applied in preparing these financial statements. The application of these new standards, amendments and interpretations is either not expected to have a material impact on the financial statements or is still under assessment.

IFRS 16 Leases was issued on 13 January 2016 with an IASB effective date of 1 January 2019 (not yet endorsed by the EU). This new standard will replace IAS 17 Leases (and associated interpretative guidance), and offers a new comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

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1. STATEMENT OF ACCOUNTING POLICIES - continued

1.2. New accounting standards and interpretations – continued

The most significant change will be to lessee accounting, where the distinction between operating and finance leases is removed, and will effectively bring onto the balance sheet the accounting for assets and liabilities associated with operating leases. There will be no significant changes in respect of lessor accounting.

Table 2: New standards, amendments to standards and interpretations in issue but not yet effective

Standard/Amendment	IASB Effective Date*	Endorsed by the EU
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016	November 2015
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	December 2015
Amendments to IAS 16 and IAS 41: Bearer Plants	1 January 2016	November 2015
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016	(Outstanding)
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016	December 2015
Annual Improvements to IFRSs 2012–2014 Cycle	1 January 2016	(Outstanding)
Amendments to IAS 1: Disclosure Initiative	1 January 2016	(Outstanding)
Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities: Applying the Consolidation Exception	1 January 2016	(Outstanding)
IFRS 15 Revenue from Contracts with Customers	1 January 2017	(Outstanding)
IFRS 14 Regulatory Deferral Accounts	1 January 2016	(Outstanding)
IFRS 9 (2010 and 2009) Financial Instruments	1 January 2018	(Outstanding)

**Represents the IASB effective date. Effective date under IFRS, as endorsed by the EU, may change depending on EU endorsement status.*

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1. STATEMENT OF ACCOUNTING POLICIES - continued

1.2. New accounting standards and interpretations – continued

Table 2 sets out the standards, amendments to standards and interpretations that are in issue but are not yet effective under IFRS, as endorsed by the EU, for the year ended 31 December 2015 and thus have not been applied in preparing these financial statements.

1.3. Property, plant and equipment

Property, plant and equipment is measured at cost less accumulated depreciation and accumulated impairment losses thereon. Cost includes direct costs (including directly attributable labour and overhead costs), decommissioning or restoration costs and interest incurred in financing the construction of the asset. Capitalisation of interest ceases when the asset is commissioned or where active development has been interrupted for an extended period.

Assets under construction represent the cost of purchasing, constructing, installing property, plant and equipment ahead of their productive use.

Items of property, plant and equipment are depreciated from the date they are available for use. The charge for depreciation is calculated to write down the cost of property, plant and equipment, less estimated residual value, on a straight line basis over their expected useful lives.

Depreciation is not charged on assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Subsequent expenditure, for example, the cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits associated with the item will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

1.4. Impairment of assets

Assets that have an indefinite useful life and assets that are not yet available for use (including assets under construction) are tested annually for impairment. The carrying amounts of assets that are subject to depreciation and amortisation are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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1. STATEMENT OF ACCOUNTING POLICIES - continued

1.4. Impairment of assets – continued

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss for a cash-generating unit shall be allocated to the assets of the unit pro rata with the carrying amounts of those assets. The reversal is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the reversal shall be treated as a revaluation increase. Using the asset's revised carrying amount, depreciation is provided on a straight-line basis over the estimated remaining useful life.

1.5. Financial assets and liabilities

Non-derivative financial assets and liabilities

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

Trade and other receivables
Trade and other receivables are initially recognised at fair value, which is usually the original invoiced amount net of transaction costs, and subsequently carried at this value less an appropriate allowance for impairment losses. Impairment losses are recognised where there is objective evidence of a dispute or inability to pay. The carrying amount of all trade and other receivables after provision for impairment is deemed to reflect fair value at the reporting date.

Trade and other payables
Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method. The carrying value of trade payables is approximately equal to fair value.

1.6. Net finance costs

Finance costs comprise interest payable on borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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2. STATUTORY INFORMATION

The directors did not receive remuneration from the Company in either the current or prior year. The Company does not have any employees.

3. REFUND

	2015 €'000	2014 €'000
Refund	100	110

As at 31 December 2015, a receivable of €100,000 is due from Galway County Council for costs previously incurred and capitalised relating to a compulsory purchase order. During the year ended 31 December 2014, a refund of €110,000 was received from Mayo County Council for costs previously incurred and capitalised relating to a deposit to purchase a site for development which the Company subsequently withdrew from. These have been recognised in the statement of comprehensive income of the financial statements.

4. NET FINANCE COSTS

	2015 €'000	2014 €'000
Ervia	377	377
Mountside Partners Limited	368	368
	745	745

In accordance with IAS 23 Borrowing Costs, capitalisation of interest ceases when an asset is commissioned or where active development has been interrupted for an extended period. As the development of the Company's remaining three sites in Ireland has been interrupted for an extended period, capitalisation of interest ceased during the year ended 31 December 2014 and €745,056 was recognised and continues to be recognised in the statement of comprehensive income.

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5. PROPERTY, PLANT AND EQUIPMENT

	Assets under construction €'000
Cost:	
At 1 January 2014	11,163
Additions	-
At 31 December 2014	11,163
Additions	-
At 31 December 2015	11,163
Accumulated Depreciation:	
At 1 January 2014	9,813
Depreciation for the year	-
At 31 December 2014	9,813
Depreciation for the year	-
At 31 December 2015	9,813
Carrying Amounts:	
At 31 December 2014	1,350
At 31 December 2015	1,350

6. TRADE AND OTHER RECEIVABLES

	2015 €'000	2014 €'000
Current:		
Receivable due from Galway County Council	100	-
Value added tax	2	-
	102	-

The carrying value of receivables is approximately equal to their fair value. The Company does not have any significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics.

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7. CASH AND CASH EQUIVALENTS

	2015 €'000	2014 €'000
Cash at bank	202	311

	2015 €'000	2014 €'000
At 1 January	311	228
(Decrease)/increase in cash and cash equivalents	(109)	83
At 31 December	202	311

8. CALLED UP SHARE CAPITAL PRESENTED AS EQUITY

	2015 €'000	2014 €'000
Authorised:		
5,000,000 ordinary shares of €1 each	5,000	5,000
Allotted, called up and fully paid:		
1,875,000 ordinary shares of €1 each	1,875	1,875

9. RETAINED EARNINGS

	2015 €'000	2014 €'000
At 1 January	(10,549)	(9,813)
Loss for the year	(696)	(736)
At 31 December	(11,245)	(10,549)

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10. TRADE AND OTHER PAYABLES

	2015 €'000	2014 €'000
Trade payables	14	45
Amounts owed to related parties	11,010	10,290
	11,024	10,335
Analysed as:		
Current	14	70
Non-current	11,010	10,265
	11,024	10,335

The carrying value of trade payables is approximately equal to fair value. Trade creditors are contractually required to be paid under standard 45 day terms.

11. OWNERSHIP

The Company is a joint venture between Mountside Partners Limited and Ervia.

12. COMMITMENTS AND CONTINGENCIES

During the prior year, Eirgrid notified the Company of its intention to terminate the transmission connection agreements on two of the Company's sites and has sought to drawdown two bonds with a value of €1,964,000 in relation to the two sites. The Company does not agree that Eirgrid ought to be entitled to either terminate the connection agreements or drawdown on the bonds and submitted a dispute notice to the Commission for Energy Regulation (CER). The CER has sought bi-monthly extensions to date in considering its determination and as of August 2016 the Company is awaiting the decision of the CER in relation to the dispute.

The bonds above had been provided to Eirgrid by one of the Company's shareholders. The shareholder also provided a further bond of €984,000 in respect of the Company's third site. In the event that the Company does not meet its obligations under the connection agreement for this third site, the connection agreement could potentially be terminated and the bond drawn down.

The Company provided an indemnity to one of its shareholders for any loss suffered by the shareholder pursuant to the bonds referred to above. The Company could be called upon, under its indemnity, to pay the shareholder up to €2,948,000 in addition to any further costs incurred by the shareholder to the extent that the bonds are drawn down by Eirgrid. No claim on the indemnity has been made to date.

The outcome of the dispute with Eirgrid and the likelihood of claims by the shareholder against the Company are still unknown. Accordingly no provision for any liability has been made in these financial statements.

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13. FINANCIAL RISK MANAGEMENT

Nature and extent of risks
The main risk that the Company is facing and actively monitoring and managing is as follows:

Liquidity risk

Description
Liquidity risk is the risk that suitable sources of funding for the Company may not be available, so as to be unable to meet short-term finance requirements and to settle obligations. Such a situation would negatively impact Company results as it could result in the Company incurring higher borrowing expenses to meet its obligations or, under the worst of conditions, the inability of the Company to continue as a going concern.

Objective
The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company policy is to ensure that the Company has access to sufficient liquidity to enable it to meet its obligations as they fall due and to provide adequately for contingencies.

Policies and processes for the management and control of liquidity risk
The joint venture partners Ervia and Mountside Partners Limited have committed not to call the amounts due from the Company within 12 months of the date of signing of the financial statements.

14. RELATED PARTY TRANSACTIONS

During the year the Company entered into the following transactions with its joint venture partners.

	2015 €'000	2014 €'000
Loans advanced and interest and other costs charged		
Ervia	(377)	(402)
Mountside Partners Limited	(368)	(368)
	(745)	(770)

The following balances were outstanding at the end of the reporting year:

	2015 €'000	2014 €'000
Ervia	(5,669)	(5,317)
Mountside Partners Limited	(5,341)	(4,973)
	(11,010)	(10,290)

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15. SUBSEQUENT EVENTS

In February 2016 Ervia launched an open process to sell its shareholding in the Company. On 28 June 2016, the Ervia board approved the sale of its shareholding, including the novation of its loan receivable of €5,668,678 to the preferred purchaser. At the date of signing of the financial statements, the sale completion process was still ongoing, but expected to be completed by September 2016.

16. APPROVAL OF FINANCIAL STATEMENTS

The directors approved the financial statements on 19th August 2016.