



## Albion Community Power PLC

Half-yearly Financial Report for the  
six months to 31 July 2016 (unaudited)



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**This Half-yearly Financial Report has not been audited or reviewed by the Auditor.**

# Company information

<b>Company number</b>	08239147
<b>Directors</b>	V B Beckers, Chairman R M Armour OBE G Finnie D Gudgin V Hansrani I Nolan P H Reeve
<b>Management services provider, company secretary, registered and principal office</b>	Albion Ventures LLP 1 King's Arms Yard London, EC2R 7AF
<b>Registrar</b>	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey, GU9 7DR
<b>Auditor</b>	Moore Stephens LLP 150 Aldersgate Street London, EC1A 4AB
<b>Taxation advisers</b>	Philip Hare & Associates LLP Suite C, First Floor 4-6 Staple Inn London, WC1V 7QH  Moore Stephens LLP 150 Aldersgate Street London, EC1A 4AB
<b>Legal adviser</b>	Bird & Bird LLP 15 Fetter Lane London, EC4A 1JP
<b>Shareholder information</b>	For help relating to dividend payments, shareholdings and share certificates please contact Share Registrars Limited: Tel: 01252 821 390 (UK National Rate call, lines are open 9.00am-5.30pm; Mon-Fri, calls may be recorded) Website: <a href="http://www.shareregistrars.uk.com">www.shareregistrars.uk.com</a>
<b>Financial adviser information</b>	For enquiries relating to the performance of the Group and for financial adviser information please contact Albion Community Power PLC:  Tel: 020 7601 1850 (lines are open 9.00am-5.30pm, Mon-Fri; calls may be recorded) Email: <a href="mailto:info@albioncommunitypower.co.uk">info@albioncommunitypower.co.uk</a> Website: <a href="http://www.albioncommunitypower.co.uk">www.albioncommunitypower.co.uk</a>  <b>Please note that these contacts are unable to provide financial or taxation advice.</b>

## Background

Albion Community Power PLC (“ACP” or “the Company”) and its subsidiaries (“the Group”) build, own, and operate renewable energy plants across the UK. The Group focuses on smaller-scale renewables assets including single wind turbines, principally in industrial locations, “run-of-river” hydro and biogas generators. In due course, ACP aims to aggregate them into a £100 million energy group.

Each plant is a stand-alone project which benefits from government incentives, principally Feed-in Tariffs. Smaller scale renewable energy projects have a number of attractions: the Feed-in Tariff is fixed for 20 years, giving the plant a known income for each unit of electricity generated, in advance of construction and this income rises with inflation. In addition, the electricity may be sold locally to households and businesses giving them a further reason to support renewable energy in their community.

The Company has two classes of shares in issue with I shares to be invested in projects alongside the redeemable Ordinary shares. For the redeemable Ordinary shares, the Company is targeting a dividend of approximately 3 pence per share per annum and a longer term total return (i.e. capital plus income) of approximately 6 per cent. per annum, although this should not be regarded as a profit or dividend forecast. Dividends made and returns generated will be dependent on the Group generating distributable profits. For the I shares the Company is adopting a more flexible approach, with lower dividends initially, although these will rise in due course.

## Financial calendar

Date of next dividend  
Financial year end

31 October 2016  
31 January 2017

## Financial highlights (Proforma figures are unaudited)

### Redeemable Ordinary shares

128.9p

Proforma net asset value\* per redeemable Ordinary share at 31 July 2016

£3.9m

Funds raised (net of costs) at 31 July 2016

3.0p

Total dividends per redeemable Ordinary share paid to qualifying shareholders in the 12 month period to 31 July 2016

1.5p

Dividend to be paid to qualifying shareholders on 31 October 2016

### I shares

101.8p

Proforma net asset value\* per I share at 31 July 2016

£22.9m

Funds raised (net of costs) at 31 July 2016

1.0p

Total dividends per I share paid to qualifying shareholders in the 12 month period to 31 July 2016

1.0p

Dividend to be paid to qualifying shareholders on 31 October 2016

\* Proforma net asset value is defined in the Glossary on page 30.

# Chairman's statement

## Performance and progress

The six month period to 31 July 2016 saw further progress for the Group's activities and a rise in the pro-forma net asset value of the redeemable Ordinary shares and a positive return for I shareholders after taking the initial dividend into account. We also saw the start of power generation at River Arkaig as our first hydro project was commissioned in July. Our three other hydro projects are in construction and are expected to commission before the end of 2016. Administrative costs relating to these assets are already being incurred so this revenue will lead to an increase in Group profit going forward. In addition, during the last six months we have funded an anaerobic digestion facility in conjunction with our partner ReGen Holdings Limited. Meanwhile our portfolio of wind and biogas assets have operated broadly according to plan in the period.

In addition to this, we are following up on our extensive pipeline of hydro, wind and biogas projects. This includes both operational assets for acquisition and new-build opportunities, although the window to complete on the latter category is starting to close following the changes to the FIT and ROC subsidy regime earlier in the year.

Whilst political uncertainty has increased following the result of the UK referendum on its membership of the European Union, we are currently seeing relatively little direct impact. However, reduced UK base interest rates and an increased appetite amongst funders for renewable assets, have together led to reduced financing costs and encouraged the increased use of debt to partially fund the acquisition of operational assets. We have not yet adopted this practice but it is under consideration.

The current valuations for each project are as follows:

### Current project valuation

Project	Type	Status	Redeemable Ordinary shares £ million	I shares £ million	Total £ million
Docking/Trehir	Biogas	Operational	0.15	0.20	0.35
Blaencilgoed	Wind	Operational	2.66	–	2.66
Goathill	Wind	Operational	0.60	1.95	2.55
Tafarnaubach	Wind	Operational	0.53	1.60	2.13
Chaoiach	Hydro	Construction	–	8.85	8.85
River Arkaig	Hydro	Operational	–	3.28	3.28
Rexon Cross	Wind	Operational	–	2.13	2.13
Liatric Burn	Hydro	Construction	–	1.79	1.79
Bruachaig	Hydro	Construction	0.45	2.15	2.60
ReGen project	Anaerobic Digestion	Operational	–	1.44	1.44
<b>Total project valuations</b>			<b>4.39</b>	<b>23.39</b>	<b>27.78</b>

## Government consultation on the Feed-In-Tariff scheme

As indicated in my report for the year to 31 January 2016, following shifts in Government policies for renewable energy there are no Feed-in-Tariffs for wind projects greater than 1.5MW unless they gain accreditation by 15 January 2016, and substantially lower Feed-in-Tariffs, with quarterly degressions, for smaller schemes. Hydro schemes are similarly affected. In the light of this, Albion Community Power is pursuing its strategy to construct new wind or hydro schemes where they have accreditation, and is looking to purchase operating schemes, including those with renewable energy sources such as anaerobic digestion. We continue to review other energy-related areas and are continually looking to maximise the price at which we can sell our electricity, including, where possible, the sale of electricity to the end user.

# Chairman's statement (continued)

## Fundraising

During the period we were delighted to welcome Merseyside Pension Fund as a new I share investor following their commitment to invest £10 million in ACP. A total of £75 million has now been committed to invest in I shares, of which £22.9 million had been drawn down by 31 July 2016. As of 30 September 2016 the amount drawn down from I shareholders has increased to £25.5 million.

## Financial results and dividends

The proforma income statements (unaudited) shown below for the redeemable Ordinary shares and I shares have been prepared using their proportional share of ownership of individual projects, rather than the consolidated basis in the unaudited Financial Statements. In addition, the proforma excludes the impact of the revaluation in redeemable shares and warrants to give a clearer picture of performance.

By 31 July 2016, the Group had eight operating energy projects, with River Arkaig being commissioned and the anaerobic digestion facility being acquired, during the period.

### Redeemable Ordinary shares

The redeemable Ordinary shares recorded proforma income of £291,000 (being their share of revenue from electricity sales in operational projects and interest income) and a proforma EBTDA of £156,000. All assets in which the Ordinary shares have a substantial stake have been operational throughout the period so increased electricity sales were due to higher production from Blaencilgoed, Tafarnaubach and Goathill wind turbines.

The proforma adjusted net asset value was 128.9 pence per redeemable Ordinary share, an increase since January of 2.5 pence per redeemable Ordinary share as the positive EBTDA and a revaluation of the underlying assets by £40,000 offset the dividend distribution in the period of £55,000.

### I shares

The proforma income of the I shares group was £466,000. I share revenue from electricity sales also benefitted from a full period of generation from Tafarnaubach and Goathill as well as from the Rexon Cross wind turbine (acquired in November 2015). There was limited impact in this period from the River Arkaig hydro asset (commissioned in July) or the anaerobic digestion plant (acquired 30 June 2016). As a result of the revenue increases EBTDA turned positive in the period at £118,000 as the administrative costs remained relatively fixed and the assets generated higher revenues. A further three hydro assets are expected to be commissioned by the end of 2016.

The proforma adjusted net asset value was 101.8 pence per I share, a decrease since January of 0.4 pence per I share as the positive EBTDA and a £1,000 revaluation of the underlying assets was offset by the dividend distribution in the period of £188,000.

## Pro-forma consolidated statement of comprehensive income (unaudited)

	Redeemable Ordinary shares £'000	I shares £'000
<b>Six months to 31 July 2016</b>		
Revenue from electricity sales	196	227
Net interest (expense)/income	95	239
<b>Income</b>	291	466
Cost of sales	(73)	(89)
Administrative expenses	(62)	(259)
<b>EBTDA</b>	156	118
Depreciation	(39)	(88)
Tax	–	(3)
<b>Proforma comprehensive income</b>	<b>117*</b>	<b>27</b>

\*attributable to redeemable Ordinary shareholders, excluding £109,000 charge relating to the revaluation of shares and warrants (including the charge the profit is £8,000)

# Chairman's statement (continued)

## Proforma consolidated statement of financial position (unaudited)

<b>At 31 July 2016</b>	<b>Redeemable Ordinary shares £'000</b>	<b>I shares £'000</b>
Fixed assets	3,909	18,822
Debtors	936	878
Cash	653	4,545
Creditors	(475)	(798)
<b>Proforma net assets</b>	<b>5,023**</b>	<b>23,447**</b>
<b>Number of shares in issue (£'000s)</b>	<b>3,893</b>	<b>23,029</b>
<b>Proforma net assets per share (pence)</b>	<b>128.9</b>	<b>101.8</b>

\*\*The figures above do not agree to the statutory Financial Statements as the above reflects the adjusted position excluding any minority interests' balances.

## Dividends

### Redeemable Ordinary shares

The Company's fourth dividend of 1.5 pence per redeemable Ordinary share was paid on 27 May 2016 to those Ordinary shareholders on the register on 31 March 2015. The Company's fifth dividend of 1.5 pence per redeemable Ordinary share will be paid on 31 October 2016 to those shareholders on the register on 30 September 2015.

### I shares

The Company paid an inaugural dividend on I shares amounting to 1 penny per I share on 27 May 2016 to those shareholders on the register on 31 January 2016. The Company's second dividend of 1 penny per I share will also be paid on 31 October 2016 to those shareholders on the register on 31 July 2016.

## Prospects

Operationally, we are pleased with the progress of construction of the hydro schemes and we are looking forward to these generating electricity by the end of the year. The anaerobic digestion project also offers a good opportunity and is performing to plan. We also continue to execute our strategy to acquire operating assets.

As well as generating assets we are continuing to review wider opportunities within the energy sector such as storage and the impact of the increasing digitisation of energy markets and transactions. We are seeing more activity in these areas and the pace of change appears to be accelerating.

Overall we remain confident of our ability to build a broadly-based renewable energy power company and I look forward to reporting further on the Company's continuing development.

**V B Beckers**  
Chairman  
3 October 2016

# Albion Community Power PLC

## Redeemable Ordinary shares – reconciliation of proforma net asset value

	Note	31 July 2016 £'000	31 January 2016 £'000
Nominal value of shares in issue		3,920	3,899
Accumulated losses attributable to shareholders of the parent		(1,224)	(1,177)
Fair value movement on redeemable Ordinary shares	9	1,093	998
Fair value movement on warrants	10	82	68
Acquisition of non-controlling interest in subsidiary		165	165
Capitalised interest attributable to non-controlling interest		38	43
Deferred tax impact		(117)	(118)
Uplift in valuation of projects		1,066	1,026
<b>Proforma net assets</b>		<b>5,023</b>	<b>4,904</b>
<b>Proforma net assets per share (pence)</b>		<b>128.9</b>	<b>126.5</b>

## I shares – reconciliation of proforma net asset value

	Note	31 July 2016 £'000	31 January 2016 £'000
Nominal value of shares in issue		23,089	18,759
Accumulated losses attributable to shareholders of the parent		(270)	(111)
Capitalised interest attributable to non-controlling interest		282	173
Deferred tax impact		(132)	(133)
Uplift in valuation of projects		478	477
<b>Proforma net assets</b>		<b>23,447</b>	<b>19,165</b>
<b>Proforma net assets per share (pence)</b>		<b>101.8</b>	<b>102.2</b>



# Statement of Directors' responsibilities

The Directors are responsible for preparing the Half-yearly Financial Report in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial period. Under that law the Directors are required to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. 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 Group and of the comprehensive income of the Group for that period.

The Directors have chosen to prepare the condensed Financial Statements for the Group in accordance with International Financial Reporting Standards ('IFRS'). The condensed set of Financial Statements has been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting" issued by the International Accounting Standards Board;

In preparing those Financial Statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the Group Financial Statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of the Financial Statements and other information included in annual reports may differ from legislation in other jurisdictions.

The Directors confirm that the condensed Financial Statements comply with the above requirements.

The accounting policies applied to these condensed Financial Statements have been consistently applied in current and prior periods and are those applied in the Annual Report and Financial Statements for the year ended 31 January 2016.

The Half-yearly Financial Report has not been audited or reviewed by the Auditor.

By order of the Board of Directors

**V B Beckers**  
Chairman  
3 October 2016

# Albion Community Power PLC

## Summary consolidated statement of comprehensive income

	Note	Six months to 31 July 2016 (unaudited) £'000	Year to 31 January 2016 (audited) £'000	Six months to 31 July 2015 (unaudited) £'000
<b>Revenue</b>	<b>3</b>	719	860	225
Operating expenses		(242)	(307)	(71)
<b>Gross profit</b>		477	553	154
Administrative expenses	<b>4</b>	(517)	(537)	(224)
<b>Operating (loss)/profit</b>		(40)	16	(70)
Investment income and deposit interest		18	26	13
Loss on the revaluation of debt due to redeemable Ordinary shareholders and warrants	<b>9</b>	(109)	(785)	(84)
Finance costs		(71)	(53)	(14)
<b>Loss before taxation</b>		(202)	(796)	(155)
Taxation		–	10	–
<b>Loss and total comprehensive income for the period</b>		(202)	(786)	(155)
<b>Total comprehensive income for the period attributable to:</b>				
Shareholders of parent		47	(688)	(129)
Non-controlling interest		(249)	(98)	(26)
		<b>(202)</b>	<b>(786)</b>	<b>(155)</b>

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

The accompanying notes on pages 19 to 28 form an integral part of this Half-yearly Financial Report.

There were no other items of comprehensive income in the period.

# Albion Community Power PLC

## Summary consolidated statement of financial position

	Note	31 July 2016 (unaudited) £'000	31 January 2016 (audited) £'000	31 July 2015 (unaudited) £'000
<b>Non-current assets</b>				
Property, plant and equipment	8	20,746	18,350	9,632
Investment in joint venture	6	1,437	–	–
Other receivables		–	–	379
Deferred taxation		173	176	31
		22,356	18,526	10,042
<b>Current assets</b>				
Trade and other receivables		1,313	1,778	999
Cash and cash equivalents		5,408	5,979	3,523
		6,721	7,757	4,522
<b>Total assets</b>		<b>29,077</b>	<b>26,283</b>	<b>14,564</b>
<b>Current liabilities</b>				
Trade and other payables		1,536	2,770	1,998
<b>Non-current liabilities</b>				
Debt due to redeemable Ordinary shareholders	9	4,970	4,855	4,144
Other liabilities	10	1,328	1,303	1,214
		6,298	6,158	5,358
<b>Total liabilities</b>		<b>7,834</b>	<b>8,928</b>	<b>7,356</b>
<b>Capital and reserves</b>				
Ordinary share capital	11	231	188	79
Share premium		22,861	18,571	7,856
Retained earnings		(1,496)	(1,300)	(695)
Attributable to the shareholders of the parent		21,596	17,459	7,240
Non-controlling interests		(353)	(104)	(32)
		21,243	17,355	7,208
<b>Total liabilities &amp; Capital and reserves</b>		<b>29,077</b>	<b>26,283</b>	<b>14,564</b>

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

The accompanying notes on pages 19 to 28 form an integral part of this Half-yearly Financial Report.

These Financial Statements were approved by the Board of Directors, and were authorised for issue on 3 October 2016 and were signed on its behalf by

**P H Reeve**

Director

**Company number: 08239147**

# Albion Community Power PLC

## Summary consolidated statement of changes in equity

	Ordinary share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000	Share- holders of parent £'000	Non- controlling interest £'000
<b>As at 1 February 2016</b>	188 <sup>1</sup>	18,571	(1,404)	17,355	17,459	(104)
Issue of equity	43	4,290	–	4,333	4,333	–
Dividends paid	–	–	(243)	(243)	(243)	–
Total comprehensive income for the period	–	–	(202)	(202)	47	(249)
<b>As at 31 July 2016</b>	<b>231</b>	<b>22,861</b>	<b>(1,849)</b>	<b>21,243</b>	<b>21,596</b>	<b>(353)</b>
<b>As at 1 February 2015</b>	– <sup>1</sup>	–	(531)	(531)	(525)	(6)
Issue of equity	188	18,571	–	18,759	18,759	–
Dividends paid	–	–	(87)	(87)	(87)	–
Total comprehensive income for the year	–	–	(786)	(786)	(688)	(98)
<b>As at 31 January 2016</b>	<b>188</b>	<b>18,571</b>	<b>(1,404)</b>	<b>17,355</b>	<b>17,459</b>	<b>(104)</b>
<b>As at 1 February 2015</b>	– <sup>1</sup>	–	(531)	(531)	(525)	(6)
Issue of equity	79	7,856	–	7,935	7,935	–
Dividends paid	–	–	(41)	(41)	(41)	–
Total comprehensive income for the period	–	–	(155)	(155)	(129)	(26)
<b>As at 31 July 2015</b>	<b>79</b>	<b>7,856</b>	<b>(727)</b>	<b>7,208</b>	<b>7,240</b>	<b>(32)</b>

<sup>1</sup>Share capital consists of 100 A Ordinary shares issued at a par value of £0.01 each and 1 shares issued.

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

# Albion Community Power PLC

## Summary consolidated statement of cash flows

	Six months to 31 July 2016 (unaudited) £'000	Year to 31 January 2016 (audited) £'000	Six months to 31 July 2015 (unaudited) £'000
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	688	(64)	(358)
<b>Net cash flow from/(used in) operating activities</b>	688	(64)	(358)
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	(3,962)	(10,557)	(2,049)
Acquisition of subsidiaries	–	(1,841)	(2,655)
Investment in joint venture	(1,437)	–	–
Loan made to related party	–	–	(125)
Deposit interest received	18	30	14
<b>Net cash flow used in investing activities</b>	(5,381)	(12,368)	(4,815)
<b>Cash flows from financing activities</b>			
Proceeds from issue of redeemable Ordinary shares (net of issue costs)	–	295	145
Redemption of redeemable Ordinary shares	–	(61)	–
Proceeds from issue of I shares	4,333	18,759	7,936
Monies held in respect of future issue of I shares	–	–	1,105
Issue of loan stock	11	–	–
Repayment of loan stock	–	(1,800)	(1,770)
Dividends paid	(222)	(87)	(41)
<b>Net cash flow from financing activities</b>	4,122	17,106	7,375
<b>Tax paid</b>	–	(16)	–
<b>(Decrease)/Increase in cash and cash equivalents</b>	(571)	4,658	2,202
Cash and cash equivalents at the start of the period	5,979	1,321	1,321
<b>Cash and cash equivalents at the end of the period</b>	<b>5,408</b>	<b>5,979</b>	<b>3,523</b>

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

# Albion Community Power PLC

## Redeemable Ordinary shares summary statement of comprehensive income (non-statutory analysis)

	Note	Six months to 31 July 2016 (unaudited) £'000	Year to 31 January 2016 (unaudited) £'000	Six months to 31 July 2015 (unaudited) £'000
<b>Revenue</b>		576	731	207
Cost of sales	3	(158)	(220)	(62)
<b>Gross profit</b>		418	511	145
Administrative expenses	4	(222)	(216)	(84)
<b>Operating profit</b>		196	295	61
Investment income and deposit interest		9	26	13
Loss on the revaluation of debt due to redeemable Ordinary shareholders and warrants	9	(109)	(785)	(84)
Finance costs		(228)	(215)	–
<b>Loss before taxation</b>		(132)	(679)	(10)
Taxation		–	67	–
<b>Loss and total comprehensive income for the period</b>		(132)	(612)	(10)
<b>Total comprehensive income for the period attributable to:</b>				
Shareholders of parent		8	(565)	(11)
Non-controlling interest		(140)	(47)	1
		<b>(132)</b>	<b>(612)</b>	<b>(10)</b>

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

The accompanying notes on pages 19 to 28 form an integral part of this Half-yearly Financial Report.

There were no other items of comprehensive income in the period.

# Albion Community Power PLC

## Redeemable Ordinary shares summary statement of financial position (non-statutory analysis)

	Note	31 July 2016 (unaudited) £'000	31 January 2016 (unaudited) £'000	31 July 2015 (unaudited) £'000
<b>Non-current assets</b>				
Property, plant and equipment	8	8,403	8,198	1,368
Fixed asset investments		–	–	1,083
Other receivables		–	–	379
Deferred taxation		75	75	10
		8,478	8,273	2,840
<b>Current assets</b>				
Trade and other receivables		1,052	1,336	3,359
Cash and cash equivalents		2,393	3,086	617
		3,445	4,422	3,976
<b>Total assets</b>		11,923	12,695	6,816
<b>Current liabilities</b>				
Trade and other payables		1,444	2,634	209
<b>Non-current liabilities</b>				
Debt due to redeemable Ordinary shareholders	9	4,970	4,855	4,144
Other liabilities		6,114	5,624	3,012
		11,084	10,479	7,156
<b>Total liabilities</b>		12,528	13,113	7,365
<b>Capital and reserves</b>				
Ordinary share capital		–	–	–
Retained earnings		(1,224)	(1,177)	(577)
Revaluation reserve		–	–	33
Attributable to the shareholders of the parent		(1,224)	(1,177)	(544)
Non-controlling interests		619	759	(5)
		(605)	(418)	(549)
<b>Total liabilities &amp; Capital and reserves</b>		11,923	12,695	6,816
<b>Proforma net asset value per share (pence)*</b>		128.9	126.5	110.18

\*Proforma net asset value is defined in the Glossary on page 31.

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

The accompanying notes on pages 19 to 28 form an integral part of this Half-yearly Financial Report.

# Albion Community Power PLC

## Redeemable Ordinary shares summary statement of changes in equity (non-statutory analysis)

	Ordinary share capital £'000	Share premium £'000	Retained earnings £'000	Re- valuation reserve £'000	Total £'000	Share- holders of parent £'000	Non- controlling interest £'000
<b>As at 1 February 2016</b>	–	812	(1,230)	–	(418)	(1,177)	759
Dividends paid	–	–	(55)	–	(55)	(55)	–
Total comprehensive income for the period	–	–	(132)	–	(132)	8	(140)
<b>As at 31 July 2016</b>	–	<b>812</b>	<b>(1,417)</b>	–	<b>(605)</b>	<b>(1,224)</b>	<b>619</b>
<b>As at 1 February 2015</b>	–	–	(531)	–	(531)	(525)	(6)
Issue of shares in subsidiary company to minority	–	812	–	–	812	–	812
Dividends paid	–	–	(87)	–	(87)	(87)	–
Total comprehensive income for the year	–	–	(612)	–	(612)	(565)	(47)
<b>As at 31 January 2016</b>	–	<b>812</b>	<b>(1,230)</b>	–	<b>(418)</b>	<b>(1,177)</b>	<b>759</b>
<b>As at 1 February 2015</b>	–	–	(531)	–	(531)	(525)	(6)
Revaluation of fixed asset investments	–	–	–	33	33	33	–
Dividends paid	–	–	(41)	–	(41)	(41)	–
Total comprehensive income for the period	–	–	(10)	–	(10)	(11)	1
<b>As at 31 July 2015</b>	–	–	<b>(582)</b>	<b>33</b>	<b>(549)</b>	<b>(544)</b>	<b>(5)</b>

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.



# Albion Community Power PLC

## I shares summary statement of comprehensive income (non-statutory analysis)

	Note	Six months to 31 July 2016 (unaudited) £'000	Year to 31 January 2016 (unaudited) £'000	Six months to 31 July 2015 (unaudited) £'000
<b>Revenue</b>	<b>3</b>	547	429	12
Cost of sales		(206)	(156)	(11)
Gross profit		341	273	1
Administrative expenses	<b>4</b>	(446)	(381)	(136)
Operating loss		(105)	(108)	(135)
Investment income and deposit interest		9	–	160
Finance costs		(134)	(120)	(39)
<b>Loss before taxation</b>		(230)	(228)	(14)
Taxation		(9)	(6)	–
<b>Loss and total comprehensive income for the period</b>		(239)	(234)	(14)
<b>Total comprehensive income for the period attributable to:</b>				
Shareholders of parent		28	(111)	1
Non-controlling interest		(267)	(123)	(15)
		<b>(239)</b>	<b>(234)</b>	<b>(14)</b>

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

The accompanying notes on pages 19 to 28 form an integral part of this Half-yearly Financial Report.

There were no other items of comprehensive income in the period.

# Albion Community Power PLC

## I shares summary statement of financial position (non-statutory analysis)

	Note	31 July 2016 (unaudited) £'000	31 January 2016 (unaudited) £'000	31 July 2015 (unaudited) £'000
<b>Non-current assets</b>				
Property, plant and equipment	8	18,927	16,521	2,991
Investment in joint venture	6	1,437	–	–
Fixed asset investments		–	–	3,217
Deferred taxation		22	22	–
		20,386	16,543	6,208
<b>Current assets</b>				
Trade and other receivables		752	1,150	473
Cash and cash equivalents		4,545	5,112	1,447
		5,297	6,262	1,920
<b>Total assets</b>		25,683	22,805	8,128
<b>Current liabilities</b>				
Trade and other payables		1,348	2,396	109
<b>Non-current liabilities</b>				
Other liabilities		1,887	1,867	7,936
<b>Total liabilities</b>		3,235	4,263	8,045
<b>Capital and reserves</b>				
Ordinary share capital	11	231	188	–
Share premium		22,861	18,571	–
Accumulated losses		(271)	(111)	1
Revaluation reserve		–	–	97
Attributable to the shareholders of the parent		22,821	18,648	98
Non-controlling interests		(373)	(106)	(15)
		22,448	18,542	83
<b>Total liabilities &amp; Capital and reserves</b>		25,683	22,805	8,128
Proforma net asset value per share (pence)*		101.8**	102.2**	101.24

\*Proforma net asset value is defined in the Glossary on page 31.

\*\*Includes net assets disclosed above plus proforma adjustments.

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

The accompanying notes on pages 19 to 28 form an integral part of this Half-yearly Financial Report.

# Albion Community Power PLC

## I shares summary statement of changes in equity (non-statutory analysis)

	Ordinary share capital £'000	Share premium £'000	Retained earnings £'000	Re- valuation reserve £'000	Total £'000	Share- holders of parent £'000	Non- controlling interest £'000
<b>As at 1 February 2016</b>	188 <sup>1</sup>	18,571	(217)	–	18,542	18,648	(106)
Issue of equity	43	4,290	–	–	4,333	4,333	–
Dividends paid	–	–	(188)	–	(188)	(188)	–
Total comprehensive income for the period	–	–	(239)	–	(239)	28	(267)
<b>As at 31 July 2016</b>	<b>231</b>	<b>22,861</b>	<b>(644)</b>	<b>–</b>	<b>22,448</b>	<b>22,821</b>	<b>(373)</b>
<b>As at 1 February 2015</b>	–	–	–	–	–	–	–
Issue of equity	188	18,571	–	–	18,759	18,759	–
Non-controlling interest	–	–	17	–	17	–	17
Total comprehensive income for the year	–	–	(234)	–	(234)	(111)	(123)
<b>As at 31 January 2016</b>	<b>188</b>	<b>18,571</b>	<b>(217)</b>	<b>–</b>	<b>18,542</b>	<b>18,648</b>	<b>(106)</b>
<b>As at 1 February 2015</b>	–	–	–	–	–	–	–
Revaluation of fixed asset investments	–	–	–	97	97	97	–
Total comprehensive income for the period	–	–	(14)	–	(14)	1	(15)
<b>As at 31 July 2015</b>	<b>–</b>	<b>–</b>	<b>(14)</b>	<b>97</b>	<b>83</b>	<b>98</b>	<b>(15)</b>

<sup>1</sup>Share capital consists of 1 Ordinary share issued at a par value of £1.00.

Comparative figures have been extracted from the audited statutory accounts for the year ended 31 January 2016 and the unaudited Half-yearly Financial Report for the six months ended 31 July 2015.

# Albion Community Power PLC

## Notes to the condensed Financial Statements

### 1. Summary of significant accounting policies

Albion Community Power PLC is a Company incorporated in the United Kingdom under the Companies Act 2006 ("the Act") on 3 October 2012. The nature of the Group's operations and its principal activities are set out in the Background section on page 3 and information pertaining to the Group's registered office and place of business are set out in the Company's Information section on page 2.

#### 1.1 Basis of preparation

The Half-yearly Financial Report has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union (and therefore comply with Article 4 of the EU IAS regulation). This Half-yearly Financial Report has been prepared in accordance with IAS 34 'Interim Financial Reporting'.

All companies in the Group have the same reporting date of 31 January, with the exception of Chaorach Holdings Limited, Liatrie Burn Hydro Limited, Bruachaig Hydro Limited and Green Highland Renewables (Loch Arkaig) Limited, all of which have a reporting date of 30 September.

The preparation of Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Group. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated Financial Statements are disclosed in note 2. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

The Financial Statements have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. These Financial Statements are presented in Pound Sterling to the nearest thousand. Accounting policies have been applied consistently in current and prior periods.

#### 1.2 Consolidation

The Group consolidated Financial Statements incorporate the Financial Statements of the Company for the period from 1 February 2016 to 31 July 2016 and the entities controlled by the Company (its subsidiaries), for the same period. Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. As permitted by Section 408 of the Companies Act 2006, the Company has not presented its own profit and loss account. The amount of the Company's loss before tax for the period dealt with in the accounts of the Group is £109,000 (year ended 31 January 2016: loss of £785,000).

The consolidated Financial Statements comprise the Financial Statements of the Company and its subsidiary companies. Subsidiaries which are directly or indirectly controlled by the Group are consolidated. Control is achieved where the Company has the power to govern the financial and operating policies of a project so as to obtain benefits from its activities, which generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. All significant intra-group transactions and balances between Group entities are eliminated on consolidation.

# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 1. Summary of significant accounting policies (continued)

#### 1.3 Business combinations

The acquisition of subsidiaries is accounted for using the purchase method in the Group Financial Statements. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the subsidiaries, plus any costs directly attributable to the business combination. The subsidiary's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 "Business Combinations" are recognised at their fair value at the acquisition date. At the acquisition date any equity interest held prior to the acquisition date is recognised as consideration at its fair value as at the time of the original transaction. Acquisition-related costs are expensed as incurred. The difference between the fair value of consideration and any changes to the proportion of equity held by non-controlling interests are recognised directly in equity.

#### 1.4 Investment in subsidiaries

In respect of investments in subsidiaries, loans and equity are accounted for as a whole as the two items are considered to be indistinguishable and hence the valuation is prepared on a total basis. Investments in subsidiaries are revalued at the balance sheet date in the Company based on fair value of the underlying net assets of the subsidiary undertakings. The underlying constructed asset of the project is subject to independent third party professional valuation. Revaluation movements are recognised in the revaluation reserve.

#### 1.5 Foreign currencies

The functional and presentational currency is the Pound Sterling as this is the currency of the economic environment in which the Group predominantly operates. Transactions in other denominated foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. Monetary assets and liabilities in other currencies are translated at the exchange rates ruling at the date of financial position. Foreign exchange gains and losses are included in profit or loss.

#### 1.6 Taxation

Taxation is applied on a current basis in accordance with IAS 12 "Income taxes". Deferred taxation is provided in full on temporary differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Temporary differences arise from differences between the carrying amounts of assets and liabilities for financial reporting and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which unused tax losses and credits can be utilised. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 1. Summary of significant accounting policies (continued)

#### 1.7 Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and capitalised borrowing costs. All items are carried at depreciated cost, except plant and equipment under construction which are carried at cost.

Depreciation is provided on a straight line basis to write off the cost, less estimated residual values, of property, plant and equipment over their expected useful lives. It is calculated at the following rates:

Improvement to leasehold buildings	Over the lease term
Plant and equipment (under construction)	No depreciation is applied during the period of construction
Plant and equipment	Over the estimated useful life of the energy generating plant/project, typically between 15 and 25 years
Office and computer equipment	3 to 8 years

#### 1.8 Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its estimated recoverable amount. At each reporting date, the Group reviews the carrying amounts of its tangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses (except for goodwill), the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.9 Financial assets and liabilities

Financial instruments are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial instruments consist of redeemable Ordinary shares, warrants and loan stock issued to external parties linked to Albion Ventures. Changes in the fair value of the redeemable Ordinary shares and warrants are recognised in profit or loss. Financial instruments, other than redeemable Ordinary shares and warrants are initially measured at fair value, which generally equates to acquisition cost and are subsequently measured at amortised cost using the effective interest rate method. The Directors consider the fair value equivalent to the amortised cost.

#### 1.10 Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method less allowances for doubtful receivables. The Directors consider the fair value equivalent to the amortised cost. The Group reviews the ageing analysis of receivables on a regular basis.

# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 1. Summary of significant accounting policies (continued)

#### 1.11 Revenue recognition

##### ***Power generation and related technical services***

Revenue related to power generation contracts is recognised in line with contracts. Estimates of revenue, income and costs to be incurred on contracts are regularly reviewed and revised. Any revisions are recognised in income in the period that caused the revision in estimate to occur. Revenue is recognised in the statement of comprehensive income exclusive of VAT.

#### 1.12 Investment income and deposit interest

Interest receivable in respect of investment income and bank deposits are recognised on an accruals basis.

#### 1.13 Cash and cash equivalents

Cash and cash equivalents consist of balances with banks with maturities of three months or less and are measured at fair value, based on the relevant exchange rates at the reporting date.

#### 1.14 Trade and other payables

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

#### 1.15 Other interest payable and similar charges

Other interest payable and similar charges relates to the debt due to external loan stock obligations. Amounts attributable to the construction of property, plant and equipment are capitalised.

#### 1.16 Restoration provision

The total cost of land restoration is recognised as a provision when the obligation arises. The amount provided represents the Directors' estimate of the present value of the future estimated costs. Costs are charged to the provision as incurred and the unwinding of the discount is included in the interest charge for the year. An asset is created for an amount equivalent to the initial provision and depreciated according to the depreciation policy noted above.

#### 1.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### 1.18 Share capital and redeemable shares

The A Ordinary shares and the I shares are classified as equity and the redeemable Ordinary shares are recognised as a liability at fair value on inception and are re-measured at each reporting date up to the date of settlement. The fair value is based on the exercise price at the reporting date. Changes in the fair value are recognised in profit or loss.

# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 1. Summary of significant accounting policies (continued)

#### 1.19 Warrants

The Company issues one warrant for every five redeemable Ordinary shares allotted and one warrant for every four I shares allotted. These are recognised as a liability at fair value on inception and are re-measured at each reporting date over the exercise period and up to the date of settlement. Changes in the fair value are recognised in profit or loss.

#### 1.20 Dividend distributions

In accordance with IAS 10 “Events after the balance sheet date”, dividends are accounted for in the period in which the dividend is approved by the Company’s shareholders.

#### 1.21 Operating leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease.

## 2. Critical accounting estimates and judgements

In preparing the Financial Statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

#### **Valuations**

Unquoted equity and debt issued at a discount are designated as fair value through other comprehensive income. Fair value is determined by the Directors in accordance with the International Private Equity and Venture Capital Valuation Guidelines (IPEVCV guidelines). The valuation of investments held at fair value through other comprehensive income or measured in assessing any impairment of loan stocks is determined by using valuation techniques. The Group and the Company use judgements to select methods and make assumptions that are mainly based on market conditions and project performance at each balance sheet date and use third party valuations when deemed appropriate.

#### **Redeemable Ordinary shares Group and the I shares Group consolidations**

Entities in which the Group is considered to have a direct or indirect controlling interest are considered to be subsidiaries of the redeemable Ordinary shares Group and the I shares Group and are therefore consolidated within the unaudited non-statutory Financial Statements, even if the direct shareholding held by the redeemable Ordinary shares Group or the I shares Group alone would not be considered sufficient to provide control.

#### **Warrants**

The warrants in issue at the end of the reporting period are attached to redeemable Ordinary shares and are not traded in an active market (e.g. unquoted debt instrument), thus as a result its fair value is determined by using the Black Scholes valuation model. Management uses its judgement in selecting a suitable valuation method, and make assumptions that are mainly based on judgement, sector experience and market conditions existing at the end of each reporting period. The variables that were subject to judgement are the expected life of the warrants, the expected dividends and the annualised volatility rate. The volatility rate was based on related sector comparable companies.



# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 3. Revenues

All revenues relates to power generation.

### 4. Administrative expenses

Administrative expenses include the following in respect of management services costs payable to Albion Ventures LLP under the management services agreement.

#### Group

	Six months to 31 July 2016 (unaudited) £'000	Year to 31 January 2016 (audited) £'000	Six months to 31 July 2015 (unaudited) £'000
Management services costs	260	287	94

#### Redeemable Ordinary shares

Management services costs	50	84	40
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#### I shares

Management services costs	210	203	54
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### 5. Dividends

	Six months to 31 July 2016 (unaudited) £'000	Year to 31 January 2016 (audited) £'000	Six months to 31 July 2015 (unaudited) £'000
<b>Redeemable Ordinary shares</b>			
Dividend paid on 31 March 2015 (1.5 pence per share)	–	(41)	(41)
Dividend paid on 30 September 2015 (1.5 pence per share)	–	(46)	–
Dividend paid on 27 May 2016 (1.5 pence per share)	(55)	–	–
	<u>(55)</u>	<u>(87)</u>	<u>(41)</u>
<b>I shares</b>			
Dividend paid on 27 May 2016 (1 penny per share)	(188)	–	–
Group	<u>(243)</u>	<u>(87)</u>	<u>(41)</u>

The Board has declared a dividend of 1.5 pence per redeemable Ordinary share to be paid on 31 October 2016 to all shareholders on the register who had held shares for 12 months as at 30 September 2016, and 1 penny per I share on 31 October 2016 to those shareholders on the register on 31 July 2016. The Company has sufficient distributable reserves in place as at 31 July 2016.

# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 6. Investment in joint venture

On 30 June 2016 the Group acquired a 50 per cent. interest in a company incorporated in the UK which is the owner of a generator of renewable energy from its anaerobic digestion facility. The consideration for the shares was £392,000. The Group also invested £1,045,000 in the loan stock issued by the company. As part of the acquisition, further contingent payments may be made. These have not been recognised at this time. An assessment of any goodwill arising on this investment is underway but is not yet complete and no goodwill has been recognised at this time.

### 7. Investment in subsidiary undertakings

During the period to 31 July 2016 the Group invested the following amounts in the loan stock of existing subsidiary companies:

	<b>Group Cost £'000</b>	<b>Redeemable Ordinary shares group Cost £'000</b>	<b>I shares group Cost £'000</b>
<b>6 months to 31 July 2016</b>			
Bruachaig Hydro Limited	300	6	294
Chaoarach Holdings Limited	1,150	–	1,150
Green Highland Renewables (Loch Arkaig) Limited	480	–	480
Infinite Ventures (Goathill) Limited	175	3	172
Liatric Burn Hydro Limited	800	–	800
<b>Total</b>	<b>2,905</b>	<b>9</b>	<b>2,896</b>

### 8. Property, plant and equipment

#### Consolidated

During the period the Group spent £2,591,000 on plant and equipment. Included within these additions is capitalised loan stock interest of £234,000.

#### Redeemable Ordinary shares

During the period the redeemable Ordinary shares group spent £366,000 on plant and equipment. Included within these additions is capitalised loan stock interest of £1,000.

#### I Shares

During the period the I share group spent £2,597,000 on plant and equipment. Included within these additions is capitalised loan stock interest of £232,000.

# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 9. Debt due to redeemable Ordinary shareholders

Debt due to redeemable Ordinary shareholders relates to redeemable Ordinary shares recognised at fair value. The redeemable Ordinary shares can be redeemed on any date on or after the first anniversary of the allotment of those shares. The redemption price is equivalent to net asset value per share less a discount of one per cent.

Under the terms of the Albion Community Power PLC Dividend Reinvestment Scheme, 16,376 redeemable Ordinary shares were allotted during the period to 31 July 2016 at a price of £1.25 per share.

The fair value of the redeemable Ordinary shares at 31 July 2016 is calculated using the redemption price and equates to £4,970,000 with a £95,000 loss from the increase in fair value being recognised in the consolidated statement of comprehensive income for the period. The cumulative loss relating to the increase in fair value of the redeemable Ordinary shares is £1,093,000.

The loan of £95,000 and the loss from the increase in fair value of warrants of £14,000 (note 10) are shown as a loss of £109,000 on the summary consolidated statement of comprehensive income and the redeemable Ordinary shares summary statement of comprehensive income.

### 10. Other liabilities

Included within other liabilities are 786,686 warrants issued in relation to redeemable Ordinary shareholders. These are recognised at fair value. The warrants entitle the holder to subscribe for redeemable Ordinary shares at any point up to 20 years after the date of issue at a price equivalent to the net asset value at the date of issue.

The fair value of the warrants as at 31 July 2016 is calculated using the Black Scholes model and equates to £138,000 with a £14,000 loss from the increase in fair value being recognised in the consolidated statement of comprehensive income for the period. The cumulative loss relating to the increase in fair value of the redeemable Ordinary shares is £82,000.

Warrants in relation to 5,757,348 I shares have also been issued. The fair value of these warrants has been calculated using the Black Scholes model at grant date and has been assessed as nil value at 31 July 2016.

Also included in other liabilities are external loan stock balances of £1,190,000.

# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 11. Ordinary share capital

#### Group

No A Ordinary shares were issued in the period.

#### Group and I shares group

	Share capital £'000	Share premium £'000	Total £'000
As at 31 January 2016	188	18,571	18,759
Issued in the period	43	4,290	4,333
As at 31 July 2017	231	22,861	23,092

The following I shares were allotted during the period:

Date of allotment	Number of shares allotted	Issue price of shares (£)	Net amounts subscribed £'000
3 February 2016	171,387	1.00	171
25 February 2016	680,000	1.00	680
16 May 2016	293,541	1.02	300
23 May 2016	1,035,244	1.02	1,060
29 June 2016	295,564	1.02	300
30 June 2016	1,415,762	1.02	1,437
28 July 2016	288,894	1.02	295
<b>Total</b>	<b>4,180,392</b>		<b>4,243</b>
<b>Formation fees</b>			<b>90</b>
<b>Total</b>			<b>4,333</b>

### 12. Commitments

During the period, the Group has entered into contracts to construct hydro schemes which included contracts for civil work and turbines. As at 31 July 2016, the Group is committed to pay approximately £1,968,000 of the remainder of the contract price.

Other commitments relating to operating leases and reported in the annual report and financial statements for the year ended 31 January 2016 remain.

### 13. Events after the reporting date

Since 31 July 2016, in response to drawdown notices, funds were provided by the I shareholders totalling £2.8 million. This was used to acquire additional loan stock in existing subsidiaries and acquire 100 per cent. of an operational wind turbine. In exchange 2.7 million I shares were allotted.

# Albion Community Power PLC

## Notes to the condensed Financial Statements (continued)

### 14. Related party transactions

At 31 July 2016, the Group was owed £257,000 (31 January 2016: £253,000) by Infinite Renewables Limited, a partner in the Wind projects undertaken by the Group.

As at 31 July 2016, the Group had issued external parties linked to Albion Ventures with £1,191,000 of loan stock. Loan stock interest amounting to £64,000 (31 January 2016: £151,000) has been charged in the financial period and expensed as the asset is now operational.

During the period, services with a total value of £260,000 (31 January 2016: £287,000) were purchased by the Company from Albion Ventures LLP. At 31 July 2016, the amount due to Albion Ventures disclosed as accruals was £50,000 (31 January 2016: £52,000). Amounts due from Albion Ventures were £106,000.

Partners and staff of Albion Ventures hold 786,686 warrants in relation to redeemable Ordinary shares. The liability for ACP in relation to these is £138,000. As at 31 July 2016, partners and staff of Albion Ventures also hold 5,757,348 warrants in relation to 1 shares. The fair value of these has been assessed as nil value.

Shareholders in subsidiary companies were paid £136,000 during the period to 31 July 2016 for services to those companies.

# Glossary

## Definitions and Terms

<b>“A Shares”</b>	non-redeemable A Ordinary shares of £0.01 each in the capital of the Company
<b>“Act”</b>	the Companies Act 2006 (as may be amended from time to time)
<b>“Albion Ventures”</b>	Albion Ventures LLP
<b>“Board” or “Directors”</b>	the board of directors of the Company
<b>“Business Property Relief” or “BPR”</b>	business property relief as set out in the Inheritance Tax Act 1984
<b>“Company” or “ACP” or “Albion Community Power”</b>	Albion Community Power PLC
<b>“EBTDA”</b>	earnings before tax, depreciation and amortisation. Interest received or paid is included in this measure
<b>“Feed-in-Tariffs” or “FITs”</b>	the system introduced by the Government pursuant to powers in the Energy Act 2008 to incentivise low carbon electricity generation
<b>“GIB”</b>	The Green Investment Bank
<b>“Group”</b>	Albion Community Power PLC and its subsidiary companies
<b>“Government”</b>	the UK Government and the Scottish Government or either Government as the context permits
<b>“GW”</b>	Gigawatt, a standard unit of electricity power equal to 1 million kilowatts
<b>“HMRC”</b>	HM Revenue & Customs
<b>“IHT”</b>	Inheritance Tax
<b>“IPEVCV”</b>	International Private Equity and Venture Capital Valuation
<b>“I shares”</b>	I Ordinary shares of £0.01 each in the capital of the Company
<b>“I share Group”</b>	ACP I Shareco Limited, its subsidiary companies and its share of the net assets of ACP PLC
<b>“I share Warrants”</b>	the warrants to subscribe for I Shares issued by the Company under the Warrant Instrument
<b>“kW”</b>	Kilowatt, a standard unit of electricity power equal to 1,000 watts
<b>“Management Services Agreement”</b>	the agreement between the Company and Albion Ventures governing the management services provided by Albion Ventures to the Company
<b>“MW”</b>	Megawatt, a standard unit of power equal to 1,000 Kilowatts

<b>“Proforma Net Asset Value” or “Proforma NAV”</b>	<p>(i) the unaudited net asset value of the Company attributable to holders of the particular class of Shares – adjusted for the revaluation of projects as determined by independent third party professional valuations, interest income earned from non-controlling interests and deferred tax assets whose value is not yet realised</p> <p>(ii) the proforma net asset value per share is equivalent to the sum of capital and reserves, the nominal value of debt attributable to the holders of redeemable Ordinary shares, excluding any fair value gains or losses on the redeemable Ordinary shares, including any fair value movements on projects, including interest income earned from non-controlling interests and excluding deferred tax assets whose value is not yet realised</p>
<b>“Qualifying Trade”</b>	is any business so long as it is carried on with a view to making a profit and does not consist wholly or mainly of dealing in land and buildings, stocks and shares, or making or holding investments
<b>“redeemable Ordinary shares”</b>	redeemable Ordinary shares of £0.01 each in the share capital of the Company
<b>“redeemable Ordinary share Group”</b>	ACP Ordinary Shareco Limited, its subsidiary companies and its share of the net assets of ACP
<b>“redeemable Ordinary share Warrants”</b>	the warrants to subscribe for Ordinary Shares issued by the Company under the Warrant Instrument
<b>“Relevant Period” or “Two Year Period”</b>	the period beginning on the date on which the Shares are issued and ending two years after that date or two years after the commencement of the Company’s trade, whichever is later
<b>“Registrars”</b>	Share Registrars Limited
<b>“RHIs”</b>	Renewable Heat Incentives
<b>“ROCs”</b>	Renewables Obligation Certificates
<b>“RPI”</b>	The Retail Prices Index
<b>“Shareholders”</b>	holders of Shares
<b>“SIPPs”</b>	Self-invested personal pension schemes
<b>“Venture Capital Trust” or “VCT”</b>	a company approved as a venture capital trust under section 274 Income Tax Act 2007
<b>“Warrant Instrument”</b>	the warrant instrument pursuant to which the Company issues warrants to Albion Ventures and certain third party investors
<b>“Warrants”</b>	the warrants to subscribe for I Shares and Ordinary Shares issued by the Company under the Warrant Instruments

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