Registered No. 8484743

VPI Holding Limited

Report and Financial Statements

31 December 2015

Company information

Directors
R D Hardy
J Ahmed
M A V Pinho

Secretary
JR Marsh

Auditors
Ernst & Young LLP
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Contents

Strategic Report

The Directors present their strategic report for the year ended 31 December 2015.

Cautionary statement

These Financial Statements contain certain forward-looking statements with respect to the financial condition and business of VPI Holding Limited. Statements or forecasts relating to events in the future necessarily involve risk and uncertainty and are made by the directors in good faith based on the information available at the date of signing this report. VPI Holding Limited undertakes no obligation to update these forward-looking statements. Nothing in these Financial Statements should be construed as a profit forecast nor should past performances be relied upon as a guide to future performance.

Principal activities and business review

The principal activities of the Group comprise of the ownership and operation of a combined heat and power plant at Immingham, North Lincolnshire ("VPI Immingham CHP Plant"), which generates and supplies steam to the adjacent Humber and Lindsey Oil Refineries and electricity to the Humber Oil Refinery and the National Grid.

It is the intention that the principal activities of the Group will continue for the foreseeable future.

The Group loss for the year was £18,354,000 (2014 – loss £30,914,000) which was transferred from distributable reserves. The Group's Consolidated Statement of Financial Position, on pages 14 - 15, shows the Group has total assets of £847,987,000 (2014 - £949,557,000). The Company loss for the year was £13,000 (2014 – profit £169,855,000).

While the business incurred a loss the underlying cash flow performance was strong and the business intends to continue its prudent investment in the operating assets. The movements on the Company's reserves comprise of the loss for the year (2014 - loss).

The Group has adopted International Financial Reporting Standards (IFRS) for the first time this year and transitioned from generally accepted accounting principles applicable in the United Kingdom (UK GAAP), with effect from 1 January 2014. Transition tables showing material adjustments are disclosed in note 2.6.

Key performance indicators

The key financial indicators during the year were as follows:

	2015 £'000	2014 £'000	Change %
Revenue	544,116	502,877	8%
Gross profit	123,393	99,821	24%
EBITDA	84,479	64,134	32%
Gross profit as a % of fixed assets	18%	13%	5%

The Group has many non-financial performance indicators in place measuring Health, Safety and Environment to ensure that it continues to build upon a legacy of strong commitments and performance. Safety of personnel, coupled with a responsible pro-active approach to managing the environment is core to the Group's business. The ultimate financial impact arising from environmental policies, laws and regulations is difficult to determine as current and new standards continue to evolve.

Strategic Report (continued)

The main safety indicator is lost time accidents:

	2015	2014
Lost time accidents	-	-

Principal risks and uncertainties

The principal risks and uncertainties facing the Group are those that impact the continuing business and profitability of VPI Immingham LLP. This plant operates in the UK energy market, and as such, is exposed to fluctuations in wholesale energy prices. However, this exposure is managed through an active trading strategy. The directors consider that the Group's exposure to market fluctuations, which are mitigated by the use of certain derivative contracts, remains at an acceptable level.

Health, safety and environment
Given the nature of the Group's activities, the health and safety of all our employees, contractors and the public is of paramount importance. The Group encourages a 'safety first' culture and operates its processes and procedures in all business areas in such a way as to ensure a safe working environment, and to comply with all relevant legal, environmental and regulatory requirements.

Energy and commodity risk
The Group is exposed to movements in market prices for certain commodities. The Group has entered into certain forward contracts and options which partially mitigate unfavourable movements in energy pricing.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Liquidity risk
The Group monitors the risk of a shortage of funds using cash flow forecasts. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and loans from related parties.

Plant operating risk
Failure of an essential component of the CHP plant may result in the loss of generation through a plant outage or reduced output capacity. This risk is mitigated through planned maintenance schedules, regular monitoring activities and outage planning. The Group maintains third party insurance cover to mitigate against significant operating risks.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Foreign currency risk
The Group may be exposed to foreign currency exchange rate risk resulting from entering into certain transactions denominated in currencies other than pound sterling. The group uses forward exchange rate contracts and options to hedge the risk of adverse foreign exchange rate movements.

Interest rate risk
The Group may be exposed to interest rate risk resulting from the Group's loan and banking arrangements. The interest charged on Group loans is linked to LIBOR and therefore is exposed to the movements in the UK rates. The Group uses interest rate swaps to reduce its exposure to adverse fluctuations in interest rates.

Going concern

There are no material uncertainties relating to events or conditions that may cast significant doubt over the ability of the Group to continue as a going concern.

Although reporting a loss for the year driven by the fair value movement on derivatives, the business' underlying cashflow is strong. After reviewing forward forecasts and loan facilities, including applying appropriate sensitivities to those forecasts, the directors are confident that the Group has adequate resources to continue operations for the foreseeable future. Accordingly, the directors continue to adopt a going concern basis in preparing the Financial Statements.

By order of the board

R D Hardy
Director and Chairman
Date: 11 August 2016

Directors' Report

The directors present their Annual Report and Financial Statements for the year ended 31 December 2015.

Directors

The directors who served the Group during the year and to the date of the report were as follows:

R D Hardy
J Ahmed
M A V Pinho

Principal activities and future developments

The principal activities of the Group and future developments are outlined in the Strategic Report, which discusses the key issues of the business including going concern.

Employee involvement

The Group keeps its employees informed on matters affecting them. This is carried out in a number of ways, including formal and informal briefings and departmental meetings.

Equal opportunities

The Group is fully committed to ensuring that all current and potential future employees and customers are treated fairly and equally, regardless of their gender, sexuality, marital status, disability, race, colour, nationality or ethnic origin. The Group provides equal opportunities for employment, training and development, having regard to particular aptitudes and abilities.

Financial instruments

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency, interest rate and commodity price risks. Such derivative financial instruments are initially recognised at fair value on the date on which such a derivative contract is entered into and are subsequently re-assessed at their fair value at each reporting period end.

Directors' liabilities

The Company (VPI Holding Limited) has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report (2014 – same).

Political contributions

During the year the Group made no political contributions (2014: £nil).

Dividends

No dividends were paid this year (2014 – £nil).

Post balance sheet events

On the 31 March 2016 a distribution of £14,500,000 was received from VPI Immingham Operations Limited and a dividend was paid to the shareholders of VPI Holding Limited of £14,500,000.

An additional distribution of £14,500,000 was received from VPI Immingham Operations Limited on the 10 August 2016 and a further dividend was paid to the shareholders of VPI Holding Limited of £14,500,000.

Disclosure of information to the auditors

No dividends were paid in 2015 (2014 - £nil).

Directors' report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Group's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

This report was approved by the directors on 11 August 2016 and signed on their behalf by:

Russell Hardy

R D Hardy
Director and Chairman
Date: 11 August 2016

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, the Directors' Report and the Consolidated and Parent Company Financial Statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare Consolidated and Parent company Financial Statements for each financial year. Under that law the directors are required to prepare the Consolidated and Parent Company Financial Statements in accordance with IFRS as adopted by the EU and applicable law. Under Company law the directors must not approve the Consolidated and Parent Company Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent and of their profit or loss for the period.

In preparing each of the Consolidated and Parent Company Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the Consolidated and Parent Company Financial Statements on a going concern basis unless it is inappropriate to presume that the Group and Parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its accounts comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Parent Company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report

to the members of VPI Holding Limited

We have audited the financial statements of VPI Holding Limited for the year ended 31 December 2015 which comprise the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, Consolidated and parent company Statement of Changes in Equity, Consolidated and parent company Statement of Financial Position, Consolidated Statement of Cash Flows and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices 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 group's and the parent 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 Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2015 and of the group's loss for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRS's as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's Report

to the members of VPI Holding Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst + Young LLP

Jennifer Hazlehurst (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP (Statutory Auditor)
Manchester
Date: 11/8/16

Consolidated Income Statement

for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Revenue	4	544,116	502,877
Cost of sales		(420,723)	(403,056)
Gross Profit		123,393	99,821
Other operating and administrative expenses		(38,914)	(35,687)
Earnings before interest, tax and depreciation		84,479	64,134
Depreciation	13	(24,514)	(23,336)
Operating profit	5	59,965	40,798
Fair value losses on derivative financial instruments	11	(74,557)	(43,156)
Finance income	9	49	-
Finance costs	10	(27,028)	(27,477)
Loss before taxation		(41,571)	(29,835)
Taxation	12	23,217	(1,079)
Loss for the year		(18,354)	(30,914)

Earnings before interest, tax and depreciation is stated exclusive of fair value losses on derivative financial instruments.

All amounts relate to continuing operations in both the current and preceding years.

Consolidated Statement of Comprehensive Income

for the year ended 31 December 2015

	2015	*2014*
	£'000	*£'000*
Loss for the year	(18,354)	(30,914)
Other comprehensive income		
Other comprehensive income for the year	-	-
Total comprehensive loss for the year, net of tax	(18,354)	(30,914)

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital	*Share premium*	*Revaluation reserve*	*Retained earnings*	*Total equity*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
As at 1 January 2014	-	241,553	(234)	39,627	280,946
Loss for the year	-	-	-	(30,914)	(30,914)
Total comprehensive income	-	-	-	(30,914)	(30,914)
At 31 December 2014	-	241,553	(234)	8,713	250,032
Loss for the year	-	-	-	(18,354)	(18,354)
Total comprehensive income	-	-	-	(18,354)	(18,354)
Dividends paid	-	-	-	-	-
At 31 December 2015	-	241,553	(234)	(9,641)	231,678

Company Statement of Changes in Equity

for the year ended 31 December 2015

	Share capital	*Share premium*	*Retained earnings*	*Total equity*
	£'000	*£'000*	*£'000*	*£'000*
As at 1 January 2014	-	241,553	(13,145)	228,408
Profit for the year	-	-	169,855	169,855
Total comprehensive income	-	-	169,855	169,855
At 31 December 2014	-	241,553	156,710	398,263
Loss for the year	-	-	(13)	(13)
Total comprehensive income	-	-	(13)	(13)
Dividends paid	-	-	-	-
At 31 December 2015	-	241,553	156,697	398,250

Consolidated Statement of Financial Position

at 31 December

Registered No. 8484743

	Notes	2015 £'000	2014 £'000	2013 £'000
Assets				
Non-current assets				
Property, plant and equipment	13	493,511	515,880	518,947
Derivative financial instruments	15	184,819	253,306	300,830
		678,330	769,186	819,777
Current assets				
Inventories	16	3,382	3,363	3,188
Trade and other receivables	17	29,538	39,476	63,955
Cash and short-term deposits		41,922	35,366	12,577
Derivative financial instruments	15	94,812	102,166	96,714
		169,654	180,371	176,434
Total assets		847,984	949,557	996,211
Equity and liabilities				
Equity				
Issued share capital	27	-	-	-
Share premium		241,553	241,553	241,553
Revaluation reserve		(234)	(234)	(234)
Retained earnings		(9,641)	8,713	39,627
Total equity		231,678	250,032	280,946
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings	19	403,679	243,468	465,916
Deferred tax liability	20	117,256	139,725	145,394
Provisions	21	21,528	19,621	18,958
		542,463	402,814	630,268
Current liabilities				
Trade and other payables	18	42,998	62,979	64,796
Interest-bearing loans and borrowings	19	30,845	232,448	20,000
Derivative financial instruments	15	-	1,284	201
		73,843	296,711	84,997
Total liabilities		616,306	699,525	715,265
Total equity and liabilities		847,984	949,557	996,211

Consolidated Statement of Financial Position (continued)

at 31 December

Registered No. 8484743

The Financial Statements were approved and authorised for issue by the directors on 11 August 2016 and were signed on their behalf by:

Russell Hardy

R D Hardy
Director and Chairman
Date: 11 August 2016

Company Statement of Financial Position

at 31 December

Registered No. 8484743

	Notes	2015 £'000	2014 £'000	2013 £'000
Assets				
Non-current assets				
Investments	14	408,110	408,110	408,110
Trade and other receivables	17	243,468	243,468	-
		651,578	651,578	408,110
Current assets				
Trade and other receivables	17	3,057	238,859	326,627
Cash and short-term deposits		384	2,375	2,523
		3,441	241,234	329,150
Total assets		655,019	892,812	737,260
Equity and liabilities				
Equity				
Issued share capital	27	-	-	-
Share premium		241,553	241,553	241,553
Retained earnings		156,697	156,710	(13,145)
Total equity		398,250	398,263	228,408
Liabilities				
Non-current liabilities				
Interest-bearing loans and borrowings	19	243,468	243,468	465,916
Current liabilities				
Trade and other payables	18	13,301	18,633	22,936
Interest-bearing loans and borrowings	19	-	232,448	20,000
		13,301	251,081	42,936
Total liabilities		256,769	494,549	508,852
Total equity and liabilities		655,019	892,812	737,260

The Financial Statements were approved and authorised for issue by the directors on 11 August 2016 and were signed on their behalf by:

Russell Hardy

R D Hardy

Director and Chairman

Date: 11 August 2016

Consolidated Statement of Cash Flows

for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Operating activities			
Loss before taxation		(41,571)	(29,835)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation of property, plant and equipment	13	24,514	23,336
Fair value losses on derivative financial instruments	11	74,557	43,156
Finance costs	10	27,028	27,477
Finance income	9	(49)	-
Working capital adjustments:			
Increase in inventories	16	(19)	(175)
Decrease in trade and other receivables		11,205	21,276
Decrease in trade and other payables		(14,537)	(7,258)
		81,128	77,977
Interest received	9	49	-
Interest paid		(25,508)	(26,814)
Taxation (paid)/refunded		(5,963)	1,896
Net cash flows from operating activities		49,706	53,059
Investing activities			
Purchase of property, plant and equipment	13	(815)	(20,270)
Net cash flows used in investing activities		(815)	(20,270)
Financing activities			
Issued costs of borrowings		(4,004)	-
Proceeds from borrowings		225,000	-
Repayment of borrowings		(263,331)	(10,000)
Net cash flows used in financing activities		(42,335)	(10,000)
Net increase in cash and cash equivalents		6,556	22,789
Cash and cash equivalents at 1 January		35,366	12,577
Cash and cash equivalents at 31 December		41,922	35,366

Notes to the financial statements

at 31 December 2015

1. Corporate information

The Consolidated Financial Statements of VPI Holding Limited and its subsidiaries (collectively "the Group") for the year ended 31 December 2015 were authorised for issue by the board of directors on 11 August 2016. The Parent Company is a limited liability company incorporated and domiciled in England and Wales.

The Group is principally engaged in the ownership and operation of a combined heat and power plant at Immingham, North Lincolnshire ("VPI Immingham CHP Plant"). Information on the Group's structure is provided in Note 14.

These Financial Statements are presented in pounds sterling which is the currency of the primary economic environment in which the Group operates.

2. Significant accounting policies

2.1 Basis of preparation

The Consolidated Financial Statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. For all accounting periods up to and including the year ended 31 December 2014, the Group prepared its Financial Statements in accordance with generally accepted accounting principles applicable in the United Kingdom (UK GAAP). These Financial Statements for the year ended 31 December 2015 are the first the Group has prepared in accordance with IFRS. Further information is provided in Note 2.6 below.

These Consolidated Financial Statements have been prepared on an historical cost basis, except for certain financial assets and liabilities which have been measured at fair value at the end of each reporting period as explained in the accounting policies below.

The accounting policies which follow set out those policies consistently applied in all material respects to all the periods presented unless otherwise stated.

2.2 Basis of consolidation

The Consolidated Financial Statements incorporate the Financial Statements of the Company and all of its subsidiary undertakings ('subsidiaries') drawn up to 31 December each year. The Financial Statements of the Subsidiaries are prepared for the same reporting year as the Parent Company and using consistent accounting policies as the Company.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.3 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Title	***Effective for periods commencing on or after***
IFRS 9 *Financial Instruments*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
IFRS 16 *Leases replaces the existing guidance in IAS 17 Leases*	1 January 2019

The above standards and interpretations are expected to be adopted in accordance with their effective dates and have not been early adopted in these Financial Statements. The Group has not yet analysed in detail the potential effect of the above standards but does not anticipate a significant impact.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.4 Going concern

There are no material uncertainties relating to events or conditions that may cast significant doubt about the ability of the Group to continue as a going concern.

Although reporting a loss for the year driven by the fair value movement on derivatives, the business underlying cashflow is strong. After reviewing forward forecasts and facilities, including applying appropriate sensitivities, the directors are confident that the Group has adequate resources to continue its operation for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the Financial Statements.

2.5 Significant accounting policies

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Goodwill is initially measured at cost, being the excess of the aggregate of consideration transferred, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Operating profit

Operating profit is stated after charging administration costs but before fair value movements in derivative financial instruments, finance costs and taxation charges.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues associated with sales of power, steam and water are recognised when title passes to the customer, which is when the risk of ownership passes to the purchaser, immediately upon delivery. All revenues and costs related to the trading of power are recorded on a gross basis within revenue and cost of sales. Revenue and costs related to the trading of commodities consumed in the production process are recorded on a net basis within cost of sales.

Foreign currency translation

The Group's Financial Statements are presented in pound sterling, which is the Group's functional currency.

Transactions in foreign currencies are initially recorded in the Group's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Consolidated Income Statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, being the fair value at the date of acquisition, less any subsequent accumulated depreciation and any impairment losses. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

• CHP Plant	-	15 to 42 years
• Other plant and equipment	-	3 to 5 years
• Decommissioning asset	-	42 years

CHP Plant represents all the assets and equipment in relation to VPI Immingham CHP Plant.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset is included in the Consolidated Income Statement in the period of de-recognition.

Assets under construction are held at cost until brought into use, at which point depreciation commences.

When a major overhaul is performed, its cost is recognised in the carrying amount of other plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Consolidated Income Statement as incurred.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Capital spares are recognised as capital and included as property, plant and equipment in the Financial Statements within the CHP Plant category to the extent that the risks and rewards of ownership have been transferred to the Group.

Impairment of non-financial assets

Fixed assets used in operations are assessed for impairment whenever changes in facts and circumstances indicate a possible significant deterioration in the future cash flows expected to be generated. Where the sum of the discounted pre-tax cash flows is less than the carrying value of the asset, the carrying value is written down to estimated fair value. Assets are grouped for impairment purposes at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other assets.

The fair value of impaired assets is determined based on the present values of expected future cash flows using discount rates. The discount rates used equate to the rate of return that the market would generally expect from equally risky investments.

The expected future cash flows used for impairment reviews are based on estimated future production volumes, prices and costs, considering all available evidence at the date of review.

Leases

A lease is classified at its inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. The Group does not currently hold any finance leases.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the Consolidated Income Statement on a straight-line basis over the lease term.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

Inventories

Inventories, which primarily comprise of consumable engineering spares, are stated at the lower of cost and net realisable value. These are related to the short term maintenance, repair and service of the power plant.

Cost includes all costs incurred in bringing each item to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Decommissioning provision

Provision for the future cost of decommissioning of industrial plant is recognised in full in the period in which the legal obligation is incurred. When the liability is initially recorded, this cost is capitalised by increasing the carrying value of the related assets.

The amount recognised is the present value of the estimated future expenditure determined in accordance with statutory conditions and requirements. The provision increases as the discount factors applied in calculating the present value of estimated future expenditure unwind. The unwinding of the discount is included within interest payable in the Consolidated Income Statement. The capitalised cost is depreciated as part of the overall capital costs of the related assets.

Investments

Investments in Subsidiaries are held at historical cost less any applicable provision for impairment.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Revaluation

Up until 31 December 2013, the Group undertook a policy of revaluing its plant and machinery from a historic cost to a revaluation basis. This has resulted in the revaluation reserve disclosed in these accounts.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

Taxation

The tax expense included in the Consolidated Income Statement comprises of both current tax and changes in net deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the reporting date.

Deferred taxation is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements, provided it is probable that taxable profits will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred taxes relate to the same taxation authority and that authority permits the Group to make a single net payment.

Income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise income tax is recognised in the Consolidated Income Statement.

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial Recognition and measurement
Financial assets are classified as financial assets at fair value through the profit and loss or loans and receivables as appropriate. The Group determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value plus directly attributable transaction costs. The Group's financial assets include cash and short-term deposits, trade and other receivables.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through the profit or loss
Financial assets at fair value through the profit or loss include financial assets held for trading and financial assets. Financial assets are classified as held for trading if they are acquired for the purpose of selling or buying in the near term.

Financial assets held at fair value through the profit and loss are carried in the balance sheet at fair value with changes in fair value recognised in finance revenue or finance expense in the profit and loss account.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

Financial Assets (continued)

Receivables
Other than trade receivables, receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortisation is included in finance revenue in the profit or loss account. The losses arising from impairment are recognised in the profit and loss account in other operating expenses.

Trade and other receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision for impairment is made through the profit or loss when there is objective evidence that the Group will not be able to recover such balances in full. Balances are written off when the probability of recovery is assessed as being remote.

De-recognition of financial assets
A financial asset is derecognised when (i) the rights to receive cash flows from the asset have expired or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets
The Group assesses at each reporting date whether there is any objective evidence that a financial asset or Group of financial assets is impaired. If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced, with the amount of the loss recognised in administrative expenses.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss in recognised in the profit and loss account, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

Financial liabilities

Initial recognition and measurement
Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through the profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through the profit or loss
Financial liabilities at fair value through the profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the profit or loss.
Financial liabilities are classified as held for trading if they are acquired for the purpose of selling or buying in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.5 Significant accounting policies (continued)

Financial liabilities (continued)

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

De-recognition of financial liabilities

A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

Derivative financial instruments

The Group has reviewed all significant contracts for the presence of embedded derivatives. Where contracts were found to contain embedded derivatives, they were considered to be closely related to the economic characteristic and risks of the host contract, and therefore do not require separate valuation from their host contracts.

The Group has elected not to invoke the own use of scope exception allowed under IAS 39 and has recognised all such derivative financial instruments within the Statement of Financial Position.

Derivative contracts principally commodity and forward foreign currency exchange contracts, are recorded in the balance sheet at fair value, with changes in fair value reflected through the profit and loss as the contracts are not designated as effective hedges (and hedge accounting has not been applied).

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and short term deposits

Cash comprises of cash at banks and in hand and short term deposits with an original maturity of three months or less.

Pensions

The Group operates a defined contribution pension scheme. Contributions are charged to the Consolidated Income Statement as they become payable in accordance with the rules of the scheme.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.6 First time adoption of IFRS

These Financial Statements, for the year ended 31 December 2015, are the first the Group has prepared in accordance with IFRS (as adopted by the EU). For periods up to and including the year ended 31 December 2014, the Company prepared its Financial Statements in accordance with UK generally accepted accounting practice (UK GAAP).

Accordingly, the Company has prepared Financial Statements which comply with IFRS as adopted by the EU applicable for periods ending on or after 31 December 2015, together with the comparative period data as at and for the year ended 31 December 2014, as described in the accounting policies. In preparing these Financial Statements, the Company's opening Statement of Financial Position was prepared as at 1 January 2014, the Group's date of transition to IFRS. This note explains the principal adjustments made by the Group in restating its UK GAAP Statement of Financial Position as at 1 January 2014 and the financial statements as at and for the year ended 31 December 2014.

Exemptions applied

IFRS 1 allows certain exemptions in the application of particular standards to prior periods in order to assist companies with the transition process. Details of the transitional adjustments are set out below. The Group has adopted the IFRS accounting principles on a consistent basis from the date of transition.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.6 First time adoption of IFRS (continued)

Reconciliation of equity as at 1 January 2014 (date of transition to IFRS)

	Notes	UK GAAP £'000	IFRS re-measurement and reclassifications £'000	IFRS £'000
Assets				
Non-current assets				
Intangible assets	(i)	250,323	(250,323)	-
Property, plant and equipment	(ii)	507,944	11,003	518,947
Derivative financial instruments	(iii)	-	300,830	300,830
		758,267	61,510	819,777
Current assets				
Inventories		3,188	-	3,188
Trade and other receivables		63,955	-	63,955
Cash and short-term deposits		12,577	-	12,577
Derivative financial instruments	(iii)	-	96,714	96,714
		79,720	96,714	176,434
Total assets		837,987	158,224	996,211
Equity and liabilities				
Equity				
Issued share capital		-	-	-
Share premium		241,553	-	241,553
Revaluation reserve		(234)	-	(234)
Retained earnings		(36,727)	76,354	39,627
Total equity		204,592	76,354	280,946
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings		465,916	-	465,916
Deferred tax	(iv)	63,725	81,669	145,394
Provisions		18,958	-	18,958
		548,599	81,669	630,268
Current liabilities				
Trade and other payables		64,796	-	64,796
Interest bearing loans and borrowings		20,000	-	20,000
Derivative financial instruments	(iii)	-	201	201
		84,796	201	84,997
Total liabilities		633,395	81,870	715,265
Total equity and liabilities		837,987	158,224	996,211

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.6 First time adoption of IFRS (continued)

Reconciliation of equity as at 31 December 2014

	Notes	*UK GAAP £'000*	*IFRS re-measurement and reclassifications £'000*	*IFRS £'000*
Assets				
Non-current assets				
Intangible assets	(i)	206,875	(206,875)	-
Property, plant and equipment	(ii)	500,252	15,628	515,880
Derivative financial instruments	(iii)	-	253,306	253,306
		707,127	62,059	769,186
Current assets				
Inventories		3,363	-	3,363
Trade and other receivables		39,476	-	39,476
Cash and short-term deposits		35,366	-	35,366
Derivative financial instruments	(iii)	-	102,166	102,166
		78,205	102,166	180,371
Total assets		785,332	164,225	949,557
Equity and liabilities				
Equity				
Issued share capital		-	-	-
Share premium		241,553	-	241,553
Revaluation reserve		(2,099)	1,865	(234)
Retained earnings		(78,687)	87,400	8,713
Total equity		160,767	89,265	250,032
Liabilities				
Non-current liabilities				
Interest bearing loans and borrowings		243,468	-	243,468
Deferred tax	(iv)	66,048	73,677	139,725
Provisions		19,621	-	19,621
		329,137	73,677	402,814
Current liabilities				
Trade and other payables		62,980	(1)	62,979
Interest bearing loans and borrowings		232,448	-	232,448
Derivative financial instruments	(iii)	-	1,284	1,284
		295,428	1,283	296,711
Total liabilities		624,565	74,960	699,525
Total equity and liabilities		785,332	164,225	949,557

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.6 First time adoption of IFRS (continued)

Reconciliation of total comprehensive income for the year ended 31 December 2014

	Notes	*UK GAAP* *£'000*	*IFRS re-measurement and re-classifications* *£'000*	*IFRS* *£'000*
Revenue		502,877	-	502,877
Cost of sales		(403,056)	-	(403,056)
Gross profit		99,821	-	99,821
Other operating and administrative expenses	(ii)	(44,175)	8,488	(35,687)
Earnings before interest, tax and depreciation		55,646	8,488	64,134
Depreciation and amortisation	(i),(ii)	(61,057)	37,721	(23,336)
Fair value losses on derivative financial instruments	(iii)	-	(43,156)	(43,156)
Operating profit/(loss)		(5,411)	3,053	(2,358)
Finance income			-	-
Finance costs		(27,477)	-	(27,477)
Loss before taxation		(32,888)	3,053	(29,835)
Tax	(iv)	(9,073)	7,994	(1,079)
Loss for the financial year		(41,961)	11,047	(30,914)

Notes to the reconciliation of equity as at 1 January 2014, 31 December 2014 and total comprehensive income for the year ended 31 December 2015

(i) The intangible asset previously recognised under UK GAAP is considered to have nil value, as the commodity forward contracts have been recognised under IFRS and presented as non-current/current derivative financial instruments. Amortisation, which was previously charged to the profit and loss account, has been removed. Movements on the fair value of the instrument are charged or credited to the Income Statement.

(ii) The Group has adopted its UK GAAP fair values of property, plant and equipment as its deemed cost for IFRS purposes. The 2014 depreciation charge has been updated for the fair value at transition. The costs of major overhauls, which were previously charged to the profit and loss account in the period in which the cost was incurred are now treated as additions to other plant & equipment and depreciated over the expected useful life of the asset.

(iii) The fair values of commodity forward contracts, interest rate swaps and foreign exchange forward contracts are recognised under IFRS but were not recognised under UK GAAP. These financial instruments are not designated in hedge relationships, and accordingly any movements in fair values are charged or credited to profit or loss.

Notes to the financial statements

at 31 December 2015

2. Significant accounting policies (continued)

2.6 First time adoption of IFRS (continued)

Notes to the reconciliation of equity as at 1 January 2014, 31 December 2014 and total comprehensive income for the year ended 31 December 2015 (continued)

(iv) Where a Company has a change in accounting practice which results in the recognition of certain derivative contracts on the Company's balance sheet, see note (iii), the amount brought on balance sheet in respect of the derivative contracts on GAAP transition is required for tax purposes to be taxed or relieved over a 10 year period. Accordingly, a deferred tax liability has been recognised in respect of this amount and this will unwind by 31 December 2024.

Consolidated statement of cash flows

The cash flows of the Group are unchanged upon conversion to IFRS. The Consolidated Statement of Cash Flows has been restated to reflect the restatement of the Consolidated Income Statement and Consolidated Statement of Financial Position on conversion to IFRS as described in the reconciliation above.

3. Significant accounting judgements, estimates and assumptions

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities and the amounts reported for revenues and expenses during the year. Uncertainties about these assumptions and estimates could result in outcomes that differ from those estimates.

The following judgements (apart from those involving estimates) have had the most significant effect on the amounts recognised in the Financial Statements:

Impairment of non-financial assets

Property, plant and equipment in operations are assessed for impairment whenever changes in facts and circumstances indicate a possible significant deterioration in the future cash flows expected to be generated. Where the sum of the discounted pre-tax cash flows is less than the carrying value of the asset, the carrying value is written down to its estimated fair value. Assets are grouped for impairment purposes at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other assets.

The fair value of assets is determined based on the present values of expected future cash flows using discount rates. The discount rates used equate to the rate of return that the market would generally expect from equally risky investments.

The impairment assessment discounts the foreseeable life of the asset at a discount rate of 7% (2014 – 7%), and included appropriate sensitivities.

The expected future cash flows used for impairment reviews are based on estimated future production volumes, prices and costs, considering all available evidence at the date of review.

Fair value measurement of financial instruments

When the fair values of financial assets and liabilities recorded in the Consolidated Statement of Financial Position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including a discounted cash flow (DCF) model. The inputs from these models are taken from observable markets. Changes in assumptions about these factors could affect the reported fair values of financial instruments. There are no financial assets or liabilities whose fair value is based on unobservable inputs.

Notes to the financial statements

at 31 December 2015

3. Significant accounting judgements, estimates and assumptions (continued)

Provision for decommissioning

The Group has recognised a provision for decommissioning obligations associated with the VPI Immingham CHP Plant. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of these costs. The carrying amount of the provision as at 31 December 2015 was £21.528m (2014 - £19.621m). The Group estimates that the costs would be realised in approximately 30 years' time and calculates the provision using the Discounted Cash Flow method based on the following key assumptions:

- Discount rate - 2.7% (3.5% - 2014)
- Estimated cost inflation - 2.0% (2.5% - 2014)

4. Revenue

The revenue and loss before tax are attributable to the principal activity of the Group, the production of power purchased for resale and of its production of steam. Revenues originate from the United Kingdom.

An analysis of revenue is given below:

	2015	*2014*
	£'000	*£'000*
Sale of goods and services	544,116	502,877

Revenue from one customer amounted to £486,755,000 (2014 - £431,971,000) (see note 28).

5. Operating profit

This is stated after charging/(crediting):

	2015	*2014*
	£'000	*£'000*
Disclosed as a separate item:		
Depreciation of property, plant & equipment	24,514	23,336
Included in administrative expenses:		
Auditors' remuneration – audit of the Group Financial Statements	23	20
– audit of subsidiary entities	34	37
– taxation	38	38
– other services	32	7
Minimum lease payments recognised as operating lease expense	594	594
Foreign exchange (gains)/losses	(209)	75

Notes to the financial statements

at 31 December 2015

6. Company loss

The Company loss for the year was £13,000 (2014 - profit £169,855,000).

7. Directors' remuneration

The directors did not receive any remuneration from the Company or its Subsidiaries during the year (2014 - £15,000). The directors are remunerated by other companies outside of the Group. The element of their remuneration that is attributable to this Company cannot be reliably estimated. There are no other key management personnel.

8. Staff costs

Staff costs, excluding directors, were as follows:

	2015	*2014*
	£'000	*£'000*
Wages and salaries	5,873	5,530
Social security costs	614	489
Other pension costs	779	709
Other costs	157	338
	7,423	7,066

Staff costs are included in Other operating and administrative costs. The average monthly number of employees, excluding directors, during the year was made up as follows:

	2015	*2014*
	No.	*No.*
Administration	15	13
Plant	56	51
	71	64

9. Finance income

	2015	*2014*
	£'000	*£'000*
Interest on bank deposits	49	-

10. Finance costs

	2015	*2014*
	£'000	*£'000*
Interest on bank loans and overdrafts	5,111	39
Loan note interest	21,340	26,775
Unwinding of discount on provisions (note 21)	577	663
	27,028	27,477

Notes to the financial statements

at 31 December 2015

11. Derivative financial instruments

	2015 £'000	2014 £'000
Fair value gains on financial instruments	76,700	109,032
Fair value losses on financial instruments	(151,257)	(152,188)
	(74,557)	(43,156)

12. Taxation

(a) Tax charged in the Consolidated Income Statement

The tax charge/(credit) are made up as follows:

	2015 £'000	2014 £'000
Current income tax:		
UK corporation tax	(1,681)	(3,704)
Amounts overprovided in previous years	2,429	(3,045)
Total current income tax expense	748	(6,749)
Deferred tax:		
Origination and reversal of temporary differences	9,559	6,092
Effect of changes in tax rates	12,910	(422)
Total deferred tax	22,469	5,670
Taxation charge/(credit) reported in the income statement	23,217	(1,079)

(b) Tax relating to items charged or credited to other comprehensive income

There is no tax charged or credited in respect of items of other comprehensive income (2014: nil).

(c) Reconciliation of the total tax charge

A reconciliation between tax expense and the product of accounting profit multiplied by the standard rate of corporation tax in the UK of 20.25% (2014: 21.49%) is as follows:

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	(41,571)	(29,835)
Tax calculated at UK standard rate of corporation tax of 20.25% (2014: 21.49%)	(8,419)	(6,412)
Effects of:		
Adjustments in respect of prior periods	(2,429)	3,045
Expenses not deductible for tax purposes	2,223	6,850
Other timing differences	(126)	686
Non-taxable income	(1,681)	(4,544)
Difference in tax rates	(12,785)	1,454
Total tax expense reported in the Consolidated Income Statement	(23,217)	1,079

Notes to the financial statements

at 31 December 2015

12. Taxation (continued)

(d) Change in Corporation Tax rate

The UK corporation tax rate was reduced from 21% to 20% from 1 April 2015. A blended current tax rate of 20.25% has therefore been applied within the calculations (2014 – 21.49%). A further reduction in the main UK rate to 19% will take place on 1 April 2017 and again the rate will reduce to 18% on 1 April 2020.

13. Property, plant and equipment

	CHP Plant	*Other Plant & equipment*	*Decommissioning asset*	*Assets under construction*	*Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*
Group					
Cost or valuation:					
At Acquisition	493,689	6,554	12,783	1,258	514,284
Additions	235	8,889	-	165	9,289
At 31 December 2013	493,924	15,443	12,783	1,423	523,573
Additions	-	8,489	-	11,781	20,270
Transfer between classes	12,085	-	-	(12,085)	-
At 31 December 2014	506,009	23,932	12,783	1,119	543,843
Additions	-	-	-	815	815
Change in decommissioning estimate	-	-	1,330	-	1,330
At 31 December 2015	506,009	23,932	14,113	1,934	545,988
Depreciation:					
At acquisition	-	-	-	-	-
Charge for the year	-	4,441	186	-	4,627
At 31 December 2013	-	4,441	186	-	4,627
Charge for the year	17,711	5,297	328	-	23,336
At 31 December 2014	17,711	9,738	514	-	27,963
Charge for the year	18,087	6,071	356	-	24,514
At 31 December 2015	35,798	15,809	870	-	52,477
Net book value:					
At 31 December 2015	470,211	8,123	13,243	1,934	493,511
At 31 December 2014	488,298	14,194	12,269	1,119	515,880
At 1 January 2014	493,924	11,003	12,597	1,423	518,947

CHP Plant represents the operational assets of VPI Immingham LLP.

Other Plant and equipment relates to major overhauls of equipment.

The individual Company does not have any property, plant and equipment.

Notes to the financial statements

at 31 December 2015

14. Investments

	Subsidiary undertakings £'000
Company	
Cost:	
At 1 January 2014 and 31 December 2014	408,110
Additions	-
At 31 December 2015	408,110
Carrying amount:	
As at 1 January 2014 and 31 December 2014	408,110
As at 31 December 2015	408,110

The Consolidated Financial Statements of the Group include the following entities in which the Company holds, either directly or indirectly, 100% of the equity interest at 31 December 2015 and 31 December 2014. All entities are incorporated and domiciled in England and Wales.

Name of entity	*Principal activities*
VPI Immingham Operations Limited	Intermediate Holding Company
VPI ICHP Limited	Intermediate Holding Company
Immingham Energy Limited	Intermediate Holding Company
VPI Immingham LLP	Energy generation

15. Financial assets and financial liabilities

Summary of Financial assets and financial liabilities

Group	*2015* *£'000*	*2014* *£'000*	*2013* *£'000*
Financial Assets			
Fair value through profit and loss			
Derivative financial instruments non-current	184,819	253,306	300,830
Derivative financial instruments current	94,812	102,166	96,714
Loans and receivables			
Trade receivables	8,836	8,010	20,880
Amounts owed by related parties	16,967	29,117	35,233
Cash and short-term deposits	41,922	35,366	12,577
	347,356	427,965	466,234

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

Summary of Financial assets and financial liabilities

Financial Liabilities	*2015*	*2014*	*2013*
	£'000	*£'000*	*£'000*
Other financial liabilities			
Trade payables	15,509	13,814	700
Amounts owed to related parties	144	22,916	41,531
Interest-bearing loans and borrowings non-current	403,679	243,468	465,916
Interest-bearing loans and borrowings current	30,845	232,448	20,000
Fair value through profit and loss			
Derivative financial instruments current	-	1,284	201
	450,177	513,930	528,348

Company	*2015*	*2014*	*2013*
	£'000	*£'000*	*£'000*
Financial Assets			
Loans and receivables			
Amounts owed by related parties	-	604	-
Cash and short-term deposits	384	2,375	2,523
	384	2,979	2,523

Financial Liabilities	*2015*	*2014*	*2013*
	£'000	*£'000*	*£'000*
Other financial liabilities			
Amounts owed to related parties	-	7,025	19,584
Interest-bearing loans and borrowings non-current	243,468	243,468	465,916
Interest-bearing loans and borrowings current	-	232,448	20,000
	243,468	482,941	505,500

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

	Carrying amount			Fair value		
Financial Liabilities						
Interest-bearing loans and borrowings non-current	403,679	243,468	465,916	405,665	243,468	465,916
Interest-bearing loans and borrowings current	30,845	232,448	20,000	31,920	232,448	20,000

With the exception of Interest-bearing loans disclosed above, the carrying value of all financial assets is the same as their fair values.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer and the risk characteristics of the financed project.
- The fair value of unquoted instruments, loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- The Group enters into derivative financial instruments with various counterparties, principally energy companies. Derivatives which are valued using valuation techniques with market observable inputs comprise mainly of interest rate swaps, foreign exchange forward contracts and commodity forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying commodity.
- The marked-to-market value of derivative asset positions does not require a credit valuation adjustment as the Group does not bear the counterparty credit risk.

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market date (unobservable inputs).

There have been no transfers between levels during the period.

All derivative financial instruments are valued using a discounted cash flow. Future cash flows are estimated based on forward rates (from observable rates at the end of the reporting period) and contract forward rates, discounted at an appropriate discount rate. Similar valuation methodologies are used for commodity forward contracts, foreign currency contracts and interest rate swaps. There were no significant unobservable inputs.

	2015	*2014*	*2013*
	£'000	*£'000*	*£'000*
Level 2			
Fair value through profit and loss			
Instruments designated at fair value	279,631	355,472	397,544
Total	279,631	355,472	397,544

	2015	*2014*	*2013*
	£'000	*£'000*	*£'000*
Level 2			
Fair value through profit and loss			
Instruments designated at fair value	-	1,284	201
Total	-	1,284	201

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

15.1 Financial assets

Due within one year	*2015*	*2014*	*2013*
	£'000	*£'000*	*£'000*
Group			
Financial instruments at fair value through the profit or loss			
Commodity forward contracts	93,955	102,166	96,714
Interest rate hedging instrument	97	-	-
Foreign exchange forward contracts	760	-	-
Total derivative financial assets	94,812	102,166	96,714

Due after one year	*2015*	*2014*	*2013*
	£'000	*£'000*	*£'000*
Group			
Financial instruments at fair value through the profit or loss			
Commodity forward contracts	184,819	253,306	300,830
Interest rate hedging instrument	-	-	-
Foreign exchange forward contracts	-	-	-
Total derivative financial assets	184,819	253,306	300,830

The carrying value of such assets is the same as their fair value. There were no interest rate swaps or exchange forward contracts in place as at 31 December 2014 (2013 – none).

Management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value movements in derivative financial instruments through the Consolidated Income Statement reflect the change in fair value of those commodity forward contracts, interest rate swaps and foreign exchange forward contracts that are not designed in hedge relationships, but are, nevertheless, intended to reduce the level of commodity price risk for expected sales and purchased, interest rate risk on bank borrowings and foreign currency risk for expected purchases.

The terms of the foreign currency forward contracts match the terms of the expected highly probable forecast transactions.

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

15.2 Financial liabilities

	2015	*2014*	*2013*
	£'000	*£'000*	*£'000*
Group			
Interest bearing loans and borrowings			
Floating Rate Unsecured Redeemable Loan Notes	243,468	475,916	485,916
Bank borrowings	191,056	-	-
Total interest bearing loans and borrowings	434,524	475,916	485,916

The carrying value of these assets differs from their fair value due to the capitalisation of transaction costs.

The management assessed that cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The bank borrowings consist of a 5 year term loan with quarterly repayments according to a fixed schedule and a balloon payment of £40,000,000 at maturity in 2020. The interest rate applied to the bank borrowings is variable and linked to LIBOR.

The bank lenders hold a full security package over the VPI Immingham CHP Plant, key contracts, bank accounts and shares of the Subsidiaries with related financial covenants.

The Group has access to a £30,000,000 uncommitted revolving credit facility from a related party Vitol Finance BV.

The redeemable loan notes are due for repayment in 2020. The interest rate applied to this loan is variable and linked to LIBOR.

Guarantees and Letters of Credit amounting to £21,000,000 have been made to the Company's suppliers. These obligations lapse on settlement of the contracts.

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

15.2 Financial liabilities (continued)

Capital management

Capital includes floating rate unsecured redeemable loan notes and equity attributable to the equity shareholders of the parent. The primary object of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and any requirements of its financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares as it deems necessary.

Due within one year	*2015*	*2014*	*2013*
	£'000	*£'000*	*£'000*
Group			
Financial instruments at fair value through profit or loss			
Commodity forward contracts	-	1,284	201

The carrying value of these liabilities is the same as their fair value. Financial liabilities through profit or loss reflect the change in fair value of those commodity forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of commodity price risk for expected sales and purchases, interest rate risk on bank borrowings and foreign currency risk for expected purchases

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

15.3 Hedge activities and derivatives

Cash flow hedges

Commodity price risk
The Group trades power, natural gas and carbon credits on an ongoing basis as its operations as a combined heat and power generation plant require. The Group is exposed to movements in market prices for these commodities, and enters into physical and financial forward sales and purchase contracts to manage this exposure. The Group's objective is to manage exposure to power price less the cost of commodities (natural gas and carbon) utilised to generate power.

The Group estimates that in relation to the commodity forward contracts a movement of 5% within that set of contracts could impact the Income Statement by £221,000 (£592,000 - 2014; £300,000 - 2013).

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

15.3 Hedge activities and derivatives (continued)

Cash flow hedges (continued)

Foreign currency risk
The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to twenty four months.

The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward contract rates.

Foreign exchange forward contracts not designated in hedge relationships are measured at fair value through the profit and loss. Foreign exchange related revenue or costs are recorded in administrative expenses in the Income Statement.

The Group estimates that a movement of 5% in foreign currency would impact the Income Statement by £38,000 (nil 2014; nil 2013).

Interest rate risk
The Group uses interest rate swaps to manage its exposure to increases in interest rates as the interest cost of its bank borrowings are variable and linked to LIBOR. Interest rate related costs are recorded in interest payable in the Income Statement.

The Group estimates a 1% movement in interest rates would impact its Income Statement by £2,910,000 (£4,760,000 - 2014; £4,860,000 - 2013).

15.4 Fair value measurement

The directors assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Derivative financial instruments

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and commodity forward contracts are valued using valuation techniques, which employ the use of quoted prices from active markets or, where necessary, market observable inputs.

The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying commodity.

Interest bearing borrowings

The fair values of the Group's interest-bearing borrowings and loans are determined by using the EIR method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The Group's own non-performance risk as at 31 December 2015 was assessed to be insignificant.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions are managed by the Group's treasury department. Investments of surplus funds are made only with an approved counterparty.

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

15.4 Fair value measurement (continued)

Liquidity risk

The Group monitors the risk of a shortage of funds using cash flow forecasts The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and loans from related parties.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual payments.

Year ended 31 December 2015

	On demand	*Less than 3 months*	*3 to 12 months*	*1 to 5 years*	*>5 years*	*Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Interest-bearing loans and borrowings	-	14,222	45,143	509,084	-	568,449
Trade payables and amounts owed to related parties	29,007	-	781	-	-	29,788
Fair value through profit and loss	-	(19)	(988)	(1,555)	-	(2,562)
	29,007	14,203	44,936	507,529	-	595,675

Year ended 31 December 2014

	On demand	*Less than 3 months*	*3 to 12 months*	*1 to 5 years*	*>5 years*	*Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Interest-bearing loans and borrowings	-	16,729	51,136	502,946	-	570,811
Trade payables and amounts owed to related parties	35,824	-	906	-	-	36,730
Fair value through profit and loss	-	2,767	(4,855)	-	-	(2,088)
	35,824	19,496	47,187	502,946	-	605,453

Notes to the financial statements

at 31 December 2015

15. Financial assets and financial liabilities (continued)

15.4 Fair value measurement (continued)

Liquidity risk

Year ended 31 December 2013

	On demand	*Less than 3 months*	*3 to 12 months*	*1 to 5 years*	*>5 years*	*Total*
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Interest-bearing loans and borrowings	-	6,743	40,187	560,811	-	607,741
Trade payables and amounts owed to related parties	42,695	-	-	-	-	42,695
Fair value through profit and loss	-	-	-	-	-	-
	42,695	6,743	40,187	560,811	-	650,436

16. *Inventories*

	2015	*2014*	*2013*
	£'000	*£'000*	*£'000*
Group			
Engineering stock	3,174	2,801	2,626
Gas oil	208	562	562
	3,382	3,363	3,188

During 2015, £354,000 (2014 - £nil) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

Notes to the financial statements

at 31 December 2015

17. Trade and other receivables

	2015	*2014*	*2013*
	£'000	*£'000*	*£'000*
Group			
Due within one year			
Trade receivables	8,836	8,010	20,880
Amounts owed by related party	16,967	29,117	35,233
Income tax receivable	1,270	-	3,205
Other debtors	6	598	1,132
Prepayments and accrued income	2,462	1,751	3,505
	29,541	39,476	63,955
Company			
Due after more than one year			
Amounts owed by group undertakings	243,468	243,468	-
Due within one year			
Amounts owed by group undertakings	3,045	237,756	326,053
Corporation tax receivable	12	-	-
Amounts owed by related party	-	604	-
Other debtors	-	499	574
	3,057	238,859	326,627
	246,525	482,327	326,627

Trade receivables and amounts due from related party are non-interest bearing and are generally on terms of 30 to 45 days. As at 31 December 2015 no trade receivables were impaired or provided for (2014 – nil; 2013 – nil). All amounts were received from customers after the balance sheet date.

The carrying value of the trade receivables is their fair value.

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. The business provides energy to the UK power market through a related party and trades with adjacent refineries. Therefore the Group has a limited but well established customer base through the periods of this report. There have been no bad or doubtful debts through the period.

An impairment analysis is performed at each reporting date on an individual basis for clients. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above.

The Group does not hold collateral security. The Group evaluates concentration risk with respect to trade receivables as high, as its significant customers are few in number. However these customers are in longer term contractual arrangements with the Group.

Notes to the financial statements

at 31 December 2015

18. Trade and other payables

	2015	*2014*	*2013*
	£'000	*£'000*	*£'000*
Group			
Trade payables	15,509	13,814	700
Amounts owed to related parties	144	22,916	41,531
Corporation tax	-	5,441	-
Other creditors	303	-	7,048
Accruals and deferred income	27,045	20,808	15,517
	43,001	62,979	64,796
Company			
Amounts owed to group undertakings	13,031	11,431	3,352
Amounts owed to related parties	-	7,025	19,584
Other creditors	256	-	-
Accruals and deferred income	14	177	-
	13,301	18,633	22,936

Trade payables are non-interest bearing and are normally settled on 30 – 45 day terms. Other creditors are non-interest bearing.

The carrying value of the trade payables is the same as their fair value.

Notes to the financial statements

at 31 December 2015

19. Interest bearing loans and borrowings

	2015	*2014*	*2013*
	£'000	*£'000*	*£'000*
Group			
Due within one year:			
Bank borrowings	30,845	-	-
Floating Rate Unsecured Redeemable Loan Notes	-	232,448	20,000
	30,845	232,448	20,000
Due after more than one year:			
Bank borrowings	160,211	-	-
Floating Rate Unsecured Redeemable Loan Notes	243,468	243,468	465,916
	403,679	243,468	465,916
Company			
Due within one year:			
Floating Rate Unsecured Redeemable Loan Notes	-	232,448	20,000
	-	232,448	20,000
Due after more than one year:			
Floating Rate Unsecured Redeemable Loan Notes	243,468	243,468	465,916
	243,468	243,468	465,916

All borrowings are denominated in pound sterling and are valued at amortised cost.

The bank borrowings consist of a 5 year term loan with quarterly repayments according to a fixed schedule and a balloon payment of £40,000,000 at maturity in 2020. The interest rate applied to the bank borrowings is variable and linked to LIBOR.

The redeemable loan notes are due for repayment on 2020. The interest rate applied to this loan is variable and linked to LIBOR.

The Group has access to a £30,000,000 uncommitted revolving credit facility from a related party Vitol Finance BV.

Included within the above loans are amounts falling due as follows:

	2015	*2014*
	£'000	*£'000*
Within 1 year	30,845	232,448
Between two and five years	403,679	243,468
	434,524	475,916

Notes to the financial statements

at 31 December 2015

20. Deferred taxation

	2015	*2014*
	£'000	*£'000*
Group		
At beginning of year	139,725	145,394
At acquisition	-	-
Charge during the year/period	(22,469)	(5,669)
At the end of year	117,256	139,725

The provision for deferred taxation is made up as follows:

	2015	*2014*
	£'000	*£'000*
Group		
Accelerated capital allowances	58,414	66,048
Other timing differences	1,462	2,838
Derivative contracts	57,380	70,839
	117,256	139,725

21. Provisions

	Decommissioning provision
	£'000
Group	
At acquisition	18,958
At 31 December 2013	18,958
Unwinding of discount	663
At 31 December 2014	19,621
Unwinding of discount	577
Change in assumptions	1,330
At 31 December 2015	21,528

The decommissioning obligation in respect of the VPI Immingham CHP Plant has been estimated using the present value of future decommissioning costs, inflated at 2.0% (2014 - 2.5%; 2013 – 2.5%) and discounted at 2.7% (2014 - 3.5%; 2013 – 3.5%).

No decommissioning costs are currently expected to be incurred within the next year (2014 – nil; 2013 – nil).

The Company has no provisions (2014 – nil; 2013 – nil).

Notes to the financial statements

at 31 December 2015

22. Obligations under leases

Operating lease agreements where the Group is lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

Group	*2015* *£'000*	*2014* *£'000*	*2013* *£'000*
Within one year	594	594	594
After one year but not more than five years	2,377	2,377	2,377
After five years	15,522	16,117	16,711
	18,493	19,088	19,682

The Group has entered into an operating lease on the land occupied by its CHP plant and ancillary buildings. The lease contains a clause to enable annual upward revision of the rental charge on an indexation basis.

23. Pension commitments

The Group operates a defined contribution scheme. At the balance sheet date, pension commitments of £681,000 (2014 - £1,362,000) were unpaid.

24. Capital commitments

There were no capital commitments contracted for but not provided for 2015 (2014 – nil; 2013 - nil).

25. Contingent liabilities

There were no contingent liabilities (2014 – nil; 2013 - nil).

26. Dividends

There were no dividends paid in 2015 (2014 – nil; 2013 - nil).

27. Issued share capital

Authorised, issued and fully paid	*2015* *£*	*2014* *£*	*2013* *£*
1,000 Ordinary shares of £0.10 each	100	100	100

Notes to the financial statements

at 31 December 2015

28. Related parties

Note 14 provide information about the Group's structure, including details of the Subsidiaries. The following transactions have been entered into with related parties during the relevant financial year:

VPI Immingham LLP, an indirect subsidiary, has entered into arm's length energy trading arrangements with Vitol SA, a subsidiary of Vitol Holding BV. Related party energy trading included in turnover is £486,755,000 (2014 - £431,971,000) (2013 - £108,924,000) and cost of goods sold is £319,977,000 (2014 - £323,736,000) (2013 - £74,362,000).

Included in note 15 is £16,967,000 (2014 - £29,870,000) (2013 - £35,233,000) owed from Vitol SA and included in note 18 is £144,000 (2014 - £18,866,000) (2013 - £41,531,000) owed to Vitol SA and the shareholders of VPI Holding Limited.

The £243,468,000 Floating Rate Unsecured Redeemable Loan Notes included in note 19 are held jointly by the shareholders of VPI Holding Limited (2014 - £475,916,000) (2013 - £485,916,000). Interest payable under these loan notes in the year was £20,397,000 (2014 - £26,775,000) (2013 - £11,943,000).

29. Post balance sheet events

On the 31 March 2016 a distribution of £14,500,000 was received from VPI Immingham Operations Limited and a dividend was paid to the shareholders of VPI Holding Limited of £14,500,000.

An additional distribution of £14,500,000 was received from VPI Immingham Operations Limited on the 10 August 2016 and a further dividend was paid to the shareholders of VPI Holding Limited of £14,500,000.

30. Ultimate parent undertaking and controlling party

There is no ultimate controlling party. The Group's shareholders include Vitol Holding BV together with other investors.

VPI Holding Limited is the Parent Undertaking of the smallest and largest group of undertakings for which Group Financial Statements will be drawn up for the year ended 31 December 2015, and of which the LLP is a member. Once these Group Financial Statements are prepared, copies of the 2015 Annual Report will be able to be obtained from Belgrave House, 76 Buckingham Palace Road, London, SW1W 9TQ.