

ENECO WIND UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

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FOR THE YEAR ENDED 31 DECEMBER 2009**

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ENECO WIND UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2009

DIRECTORS:	J G Madgwick (appointed 11 May 2010) A L Meijer Eneco BV
SECRETARIES:	J G Madgwick (resigned 11 May 2010) MD Secretaries Limited (appointed 17 December 2009)
REGISTERED OFFICE:	c/o McGrigors LLP 5 Old Bailey London EC4M 7BA
REGISTERED NUMBER:	06616497 (England and Wales)
AUDITORS:	Deloitte LLP Bristol, United Kingdom

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2009**

The directors present their report with the financial statements of the company for the year ended 31 December 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of an intermediate holding company. The principal activity of its subsidiary was being in the process of building a wind farm.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Eneco Wind UK Limited is a wholly owned subsidiary of Eneco Wind UK BV. It undertakes the activities of Eneco BV for the development and operational activities of renewable energy in the United Kingdom. The principal activity of Eneco BV is the generation and supply of electricity primarily from renewable sources. The purpose of setting up a UK subsidiary is to focus UK activities and to create a structure where UK wind farms and other renewable enterprises will be incorporated into a UK limited company.

The principal risks to the company are controlling creditors and UK expenditure, and the statutory obligations of a UK subsidiary of a Dutch company. Tullo Wind Farm Limited was acquired by Eneco Wind UK Limited from West Coast Energy on 17 November 2008. The construction of the Tullo wind farm (total capacity 17.5 MW) has now been finalised and it started operating in September 2010.

During the year, the company was successful in acquiring the rights to develop the Offshore Round 3 concession West of Wight from the Crown Estate. This opportunity to develop an offshore wind farm of circa 900MW represents a significant step forward in the UK market.

Since the balance sheet date, the company has acquired further business interests in the purchase of the right to build Lochluchart windfarm (51MW) (incorporated as LZN Ltd) in the Northern Scottish Highlands. Further details are included in note 17.

The company was funded directly by Eneco Wind UK BV in Rotterdam. Funding was transferred in the prior year to an interest-bearing inter-company loan.

The company made a loss for the period of £1,487,131 (2008: £196,422) and at the period-end had net liabilities of £1,683,552 (2008: £196,421).

GOING CONCERN

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

Forecasts show that, starting from the final quarter of 2010, Tullo Wind Farm Limited will generate positive cash inflows and income. The positive cash inflows of Tullo Wind Farm Limited will flow to the company and to pay interest and redeem the intercompany loan. Based on these positive cash flow and positive income from 2011 and onward the company will be able to stand alone for at least one year from the date of approval of these financial statements.

The parent company is strongly considering converting a part of the intercompany loan to equity to strengthen the company equity position as well as continue to provide funding for its UK wind farm development activities.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

DIVIDENDS

No dividends were distributed during the period ended 31 December 2009 (2008: £nil).

**DIRECTORS' REPORT – continued
FOR THE YEAR ENDED 31 DECEMBER 2009**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2009 to the date of this report

A L Meijer
Eneco BV

During the period, J G Madgwick held the office of company secretary. On 11 May 2010 he resigned as company secretary and was appointed as a director

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

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

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who is a director at the date of approval of this annual report confirms that


- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

AUDITORS

The auditors, Deloitte LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting

ON BEHALF OF THE BOARD:


J G Madgwick - Director

Date 14 October 2010

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ENECO WIND UK LIMITED**

We have audited the financial statements of Eneco Wind UK Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit 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 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.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Mark Hill

Mark Hill (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Bristol, United Kingdom

14 October 2010

ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2009**

		Year ended 31.12.09 £	Period 11 6 08 to 31 12 08 £
	Notes		
Administrative expenses		<u>(527,759)</u>	<u>(85,148)</u>
OPERATING LOSS	3	(527,759)	(85,148)
Interest receivable and similar income	4	192,536	6,063
Interest payable and similar charges	5	<u>(1,151,908)</u>	<u>(117,337)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,487,131)	(196,422)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD	15	<u>(1,487,131)</u>	<u>(196,422)</u>

The results for the period are wholly attributable to the continuing operations of the company

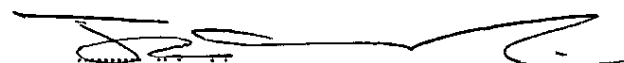
There are no recognised gains and losses for the current financial year and preceding financial period other than as stated in the profit and loss account. Accordingly, no separate statement of total recognised gains and losses is presented.

The notes form part of these financial statements

BALANCE SHEET
31 DECEMBER 2009

	Notes	2009 £	2008 £
FIXED ASSETS			
Tangible assets	7	42,853	4,697
Investments	8	<u>16,362,203</u>	<u>15,173,252</u>
		<u>16,405,056</u>	<u>15,177,949</u>
CURRENT ASSETS			
Debtors amounts falling due within one year	9	672,957	14,069
Debtors amounts falling due after more than one year	9	5,505,831	832,811
Cash at bank and in hand		<u>168,866</u>	<u>1</u>
		6,347,654	846,881
CREDITORS			
Amounts falling due within one year	10	<u>(1,572,553)</u>	<u>(106,900)</u>
NET CURRENT ASSETS		<u>4,775,101</u>	<u>739,981</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,180,157	15,917,930
CREDITORS			
Amounts falling due after more than one year	11	<u>(22,863,709)</u>	<u>(16,114,351)</u>
NET LIABILITIES		<u>(1,683,552)</u>	<u>(196,421)</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Profit and loss account	14	<u>(1,683,553)</u>	<u>(196,422)</u>
SHAREHOLDERS' DEFICIT	15	<u>(1,683,552)</u>	<u>(196,421)</u>

The financial statements of Eneco Wind UK Limited were approved by the Board of Directors and authorised for issue on 14 October 2010 and were signed on its behalf by



J G Madgwick - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current financial year and the prior financial period, are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements.

Forecasts show that, starting from the final quarter of 2010, Tullo Wind Farm Limited will generate positive cash inflows and income. The positive cash inflows of Tullo Wind Farm Limited will flow to the company and to pay interest and redeem the intercompany loan. Based on these positive cash flow and positive income from 2011 and onward the company will be able to stand alone for at least one year from the date of approval of these financial statements.

The parent company is strongly considering converting a part of the intercompany loan to equity to strengthen the company equity position as well as continue to provide funding for its UK wind farm development activities.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Cash flow statement

In accordance with FRS 1 a cash flow statement is not presented as the company is a wholly owned subsidiary of Eneco Holding NV.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 15% on cost
Computer equipment	- 15% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Current tax

Current tax is provided at amounts expected to be paid using rates and laws that have been enacted or substantively enacted by the balance sheet date.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

The notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1 ACCOUNTING POLICIES CONTINUED...

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Investments

Fixed asset investments within the company balance sheet are shown at cost less provision for impairment.

Consolidation

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent company, Eneco Holding NV, a company incorporated in The Netherlands.

Exemptions

Exemption has been taken, as a wholly owned subsidiary, under Financial Reporting Standard 8 from the requirement to disclose certain related party transactions on the grounds that details are included in the publicly available consolidated accounts of the ultimate holding company.

2 STAFF COSTS

	Year ended 31.12.09 £	Period 11 6 08 to 31 12 08 £
Wages and salaries	223,652	-
Social security costs	24,495	-
Other pension costs	21,655	-
	<u>269,802</u>	<u>-</u>

The average monthly number of employees during the period was as follows

	Year ended 31.12.09	Period 11 6 08 to 31 12 08
Management	<u>3</u>	<u>-</u>

3 OPERATING LOSS

The operating loss is stated after charging

	Year ended 31.12.09 £	Period 11 6 08 to 31 12 08 £
Depreciation - owned assets	7,326	-
Auditors' remuneration	4,750	5,875
Operating leases – Plant and machinery	10,367	-
Operating leases – Other	<u>12,657</u>	<u>-</u>

Directors' remuneration was borne by other group companies in both periods. It is not practicable to allocate directors' remuneration between services to this company and other group companies.

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31.12.09 £	Period 11 6 08 to 31 12 08 £
Interest receivable from group companies	<u>192,536</u>	<u>6,063</u>

Interest has been charged at 6% per annum on the loan to Tullo Wind Farm Limited, a 100% owned subsidiary

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31.12.09 £	Period 11 6 08 to 31 12 08 £
Interest payable to group companies	<u>1,151,908</u>	<u>117,337</u>

6 TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2009 nor for the period ended 31 December 2008

Factors affecting the tax charge

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below

	Year ended 31.12.09 £	Period 11 6 08 to 31 12 08 £
Loss on ordinary activities before tax	<u>(1,487,131)</u>	<u>(196,422)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008 - 28%)	(416,397)	(54,998)
Effects of Losses not utilised	<u>416,397</u>	<u>54,998</u>
Current tax charge	<u>-</u>	<u>-</u>

A deferred tax asset of £483,393 (2008 £56,313) has not been recognised on the grounds that recoverability is not certain

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

7 TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Total £
COST			
At 1 January 2009	4,697	-	4,697
Additions	<u>4,977</u>	<u>40,505</u>	<u>45,482</u>
At 31 December 2009	<u>9,674</u>	<u>40,505</u>	<u>50,179</u>
DEPRECIATION			
At 1 January 2009	-	-	-
Charge for year	<u>927</u>	<u>6,399</u>	<u>7,326</u>
At 31 December 2009	<u>927</u>	<u>6,399</u>	<u>7,326</u>
NET BOOK VALUE			
At 31 December 2009	<u>8,747</u>	<u>34,106</u>	<u>42,853</u>
At 31 December 2008	<u>4,697</u>	<u>-</u>	<u>4,697</u>

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2009	15,173,252
Additions	<u>1,188,951</u>
At 31 December 2009	<u>16,362,203</u>
NET BOOK VALUE	
At 31 December 2009	<u>16,362,203</u>
At 31 December 2008	<u>15,173,252</u>

The company's investments at the balance sheet date in the share capital of companies include the following

Company	Country of registration or incorporation	Shares held Class	Shares held %
Subsidiary undertakings			
Tullo Wind Farm Limited	England & Wales	Ordinary	100
Eneco Round 3 Development Holding Limited	England & Wales	Ordinary	100
Eneco Round 3 Development Limited	England & Wales	Ordinary	100
Principal Activity			
Tullo Wind Farm Limited	Development and operation of a wind farm		
Eneco Round 3 Development Holding Limited	Intermediate holding company		
Eneco Round 3 Development Limited	Development and operation of an offshore wind farm		

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

9 DEBTORS

	2009 £	2008 £
Amounts falling due within one year		
Trade debtors	1,128	-
Amounts owed by group undertakings	452,234	-
Interest receivable	198,599	-
VAT recoverable	19,095	13,003
Prepayments	1,901	1,066
	<u>672,957</u>	<u>14,069</u>
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>5,505,831</u>	<u>832,811</u>
Aggregate amounts	<u>6,178,788</u>	<u>846,880</u>

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Trade creditors	30,477	91,050
Social security and other taxes	10,136	9,975
Accrued interest	1,269,245	-
Accrued expenses	63,958	5,875
Amounts due to group undertakings	198,737	-
	<u>1,572,553</u>	<u>106,900</u>

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £	2008 £
Amounts due to group undertakings (see note 12)	<u>22,863,709</u>	<u>16,114,351</u>

12 LOANS

An analysis of the maturity of loans is given below

	2009 £	2008 £
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Amounts owed to group undertakings	<u>22,863,709</u>	<u>16,114,351</u>

The above loan is unsecured and interest is charged on the loan at a rate of 6% per annum

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009

13 CALLED UP SHARE CAPITAL

Allotted, called-up and fully paid Number	Class	Nominal value £1	2009 £	2008 £
1	Ordinary		<u>1</u>	<u>1</u>

14 RESERVES

	Profit and loss account £
At 1 January 2009	(196,422)
Loss for the financial year	<u>(1,487,131)</u>
At 31 December 2009	<u>(1,683,553)</u>

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2009 £	2008 £
Loss for the financial period	(1,487,131)	(196,422)
Share issue	<u>-</u>	<u>1</u>
Net increase in shareholders' deficit	(1,487,131)	(196,421)
Opening shareholders' deficit	<u>(196,421)</u>	<u>-</u>
Closing shareholders' deficit	<u>(1,683,552)</u>	<u>(196,421)</u>

16 OPERATING LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings		Other operating leases	
	2009 £	2008 £	2009 £	2008 £
Expiring				
Within one year	12,657	-	-	-
Between one and five years	<u>-</u>	<u>-</u>	<u>10,367</u>	<u>-</u>
	<u>12,657</u>	<u>-</u>	<u>10,367</u>	<u>-</u>

The notes form part of these financial statements

ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2009**

17 POST BALANCE SHEET EVENT

On 24th March 2010 the company acquired 100% of the share capital of LZN Limited, a company incorporated in the UK

18 ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Eneco Wind UK BV a company incorporated in The Netherlands. The company's ultimate parent company is Eneco Holding NV, a company incorporated in The Netherlands which is the parent company of the smallest and largest group into which the results of the company are consolidated.

19 CONTROL

The directors consider the controlling party to be the ultimate parent undertaking, Eneco Holding NV

The notes form part of these financial statements