

ENECO WIND UK LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

Registered Number: 06616497



ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

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FOR THE YEAR ENDED 31 DECEMBER 2013**

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ENECO WIND UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013

DIRECTORS:

Eneco BV
J G Madgwick
P M Tavenier

REGISTERED OFFICE:

c/o Pinsent Masons LLP
30 Crown Place
London
EC2A 4ES

REGISTERED NUMBER:

06616497 (England and Wales)

AUDITOR:

Deloitte LLP
Bristol
United Kingdom

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the year ended 31 December 2013.

BUSINESS REVIEW

The principal activity of the company in the year under review continued to be providing finance, supervision, administrative, development and management services to its subsidiaries in order to develop, build and operate wind and solar farms in the United Kingdom. In addition the company is involved in identifying and obtaining suitable development projects to support and expand the above activities. The company is also the intermediate holding company for the Eneco subsidiaries in the UK and is funded by Eneco Wind UK BV in Rotterdam.

The company owns 100% of the share capital of Tullo Wind Farm Limited, LZN Limited and Erica Wind Farm Limited. Tullo Wind Farm, a 7-turbine site in Aberdeenshire with a total capacity of 17 MW, concluded its third full year in commercial operation without major interruptions. The 10-turbine Tullo extension scheme (25 MW) is being built, aiming for commercial operation before August 2014. Construction of the 51 MW Lochluichart project by LZN Limited, together with the 18 MW Erica extension, has been ongoing throughout the period. This 23-turbine scheme in the Highlands is scheduled to enter into commercial operation the second quarter of 2014.

On 12 June 2013 the company acquired the entire share capital of Carbon Free Moy Limited, which holds planning consent for a 50 MW (20-turbine) scheme near Inverness. Early in 2014 the company was informed of the decision of Scottish ministers to permit a further 10 MW extension on this scheme. Construction will commence in 2014 and commercial operation is scheduled on or before January 2016.

On 25 November 2013, the company acquired its first solar project via acquisition of the entire share capital of Eneco UK Solar 01 Limited (previously AEE Renewables 36 Limited), a 10.3 MW scheme near Swindon, southern England. Construction of this solar farm completed in the first quarter of 2014.

Due diligence for the purchase of assets in the to be built Burn of Whilk project was ongoing at 31 December 2013 and completion of the purchase of the 22.5MW (9-turbine) scheme was achieved on 28 February 2014.

Internally generated development schemes were progressed in 2013 with the Benhar (15 MW), Blair Garvary (24 MW) and Macritch Hill (54 MW) projects. The latter is a joint project with Scottish Water to develop a wind farm on public real estate. The company submitted the Benhar scheme for planning permission in 2013, the outcome of which is expected in 2014. Blair Garvary and Macritch Hill schemes are both in the planning and surveying phase, working towards a submission of a planning application during the course of 2014.

At the year-end the company employed the equivalent of 16.5 full-time employees (end of 2012: 15). During the year, the company seconded staff to develop the Offshore Round 3 concession, West of Wight, from the Crown Estate. The development is organised via a 50:50% joint venture between Eneco Round 3 Development Holdings Limited and EDF Energy Round 3 Isle of Wight Limited called Navitus Bay Development Limited. The project organisation progressed during 2013 to further develop and design the project. A key milestone was achieved in April 2014 when the project was submitted for planning permission to the Planning Inspectorate, which was accepted on 8 May 2014.

The directors are satisfied with the performance and achievements of the business during the past year. In 2014 the directors envisage that the company will increasingly focus to market the generated electricity from its renewable assets directly to end users. The earnings before interest and tax (EBIT) of the company's subsidiaries are expected to increase significantly in 2014 in view of 104 MW generating capacity coming into operation as a result of the Lochluichart Wind Farm and Tullo Wind Farm extensions becoming operational.

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

KEY PERFORMANCE INDICATORS

KPIs Eneco Wind UK Ltd and subsidiaries	2013	2012
Number of Wind Turbine Generators in operation	7	7
Capacity in operation (MW)	17	17
Generated power (GWh)	45.5	40.5

STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company's future chances and profitability relate to:

Regulatory risk

UK Government renewable energy targets, legislation and amendments therein may either benefit or detract from the company's subsidiaries' profitability by influencing electricity market prices or availability to the company and value of renewable credits such as from Renewables Obligation Certificates (ROCs) and Levy Exemption Certificates (LECs). These policies also determine the attractiveness of future investments and the affordability of buying consented projects from third parties. The government has reaffirmed its principle of grandfathering investments.

In 2013 UK energy policies were at the forefront of public and political debate, where this debate concentrates on balancing affordability, availability and sustainability of UK power in the future. Energy policies will be a key area of interest in the upcoming 2015 General Election in the UK. The outcomes of the ongoing debate, implementation of upcoming regulatory changes such as Energy Market Reform, the Contract for Difference regime (from April 2017) and carbon reduction targets, will shape the future of the UK power markets. Such reshaping of the UK markets may also be to the benefit of new entrants such as Eneco.

Political risk

The Scottish independence debate does not seem to impact the already consented and constructed wind farms in Scotland at first instance. Nevertheless the impact of a Scottish 'yes' to independence is to a large extent a big unknown as to how the business and the financial environment, political landscape and renewable policies will change, or not.

Reputation and public opinion

Local opinion seems to turn against onshore wind and increasingly local and national politicians pick up on this. This tilts politicians' opinion towards other renewable energy technologies. The lack of support from local councils does reduce success rates for planning applications for onshore wind but increases other alternatives such as wind offshore. Good reputation and relationship with local communities, impacted inhabitants, land owners and interest groups is seen as key by the company, in line with its core values. We believe that creating win-wins by sharing the opportunities that renewable generated assets present mitigates opposition and brings upsides to the benefit of some of the UK's more remote and economically depressed areas. By identifying and pursuing excellent customer and community engagement the Directors believe that Eneco Wind UK Limited will be able to continue to develop projects.

Market price risk

As the projects have to a large extent sold their energy production to Eneco Energy Trade, thereby fixing prices a number of years ahead, the profitability is not directly impacted by short-term or intra-day market price movements. However in the longer term, after that fixed price period, price risk does exist and may materially affect the profitability of the company and its subsidiaries. By seeking to conclude longer-term fixed price schedules (direct Power Purchase Agreements) with end users, such as small and medium enterprises as well as large corporates, the company seeks to further reduce its exposure to market price risk.

Volume risk

Generated volumes by wind and solar farms are dependent on weather conditions. This may result in volume fluctuations year-on-year in the range of as much as 10% above or below historic averages on a project.

Interest rate risk, liquidity risk and foreign currency risk

The company considers these risks as minor, as it acts almost exclusively in a Sterling environment, is fully on balance sheet financed and is funded by its parent company. In addition interest rate developments over the past years have been stable and downward trending.

Health and safety

As the company is via its subsidiaries involved in the construction and operation of electricity generating assets, strict health and safety procedures, which are adhered to rigorously, are of key importance to reduce and preferably exclude any health and safety incidents. The Directors and management of the company continue to focus on this to ensure that the company and its subsidiaries exceed all requirements under the relevant legislation. The company continues to enhance its internal procedures as it expands its presence in the UK renewables industry.

**STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2013**

GOING CONCERN

The directors have considered the use of the going concern basis in the preparation of the financial statements in light of the current financial position of the Company and forecast cash flows for the period of at least 12 months from approval of the financial statements, and have concluded that it is appropriate at the date of signing the audit report.

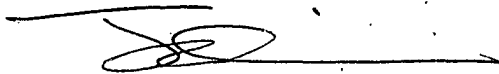
In forming this conclusion, the directors have considered that the company and more in particular its subsidiaries are expected to generate positive cash flows in the forthcoming financial year and for the foreseeable future, thus enabling the company to meet its financial obligations as they fall due. In addition the directors consider that the direct parent company continues to be supportive of the projects in which the company has invested, which was endorsed in 2013 by converting part of the inter-company loan into equity. The directors also consider the terms of the inter-company loan agreement to conclude that the company will enjoy the financial support from the immediate parent company for the foreseeable future.

The company has met all contractual payments as they have fallen due up to the date of approving the financial statements, and the forecasts indicate that the company can continue to meet such payments for the foreseeable future.

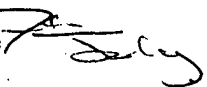
ENVIRONMENT AND LOCAL COMMUNITIES

The company is doing its utmost to reduce the impact of its schemes to the local environment and communities. In line with the Eneco core values to act sustainably, decentrally and together; the company engages with local communities, provides support, tries where possible to contract locally and operates a 100% renewable generation portfolio.

Approved by the Board of Directors
and signed on behalf of the Board



J G Madgwick – Director

Date  2014

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The directors present their report and financial statements of Eneco Wind UK Limited ("the Company") for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review continued to be providing finance, supervision, administrative, development and management services to its subsidiaries in order to develop, build and operate wind and solar farms in the United Kingdom. In addition the company is involved in identifying and obtaining suitable development projects to support and expand the above activities. The company is also the intermediate holding company for the Eneco subsidiaries in the UK and is funded by Eneco Wind UK BV in Rotterdam.

PARENT COMPANY

The company is a wholly-owned subsidiary of Eneco Wind UK BV. The ultimate parent undertaking and controlling party is Eneco Holding N.V., a company incorporated in The Netherlands

RESULTS AND DIVIDENDS

The company's result after taxation for the financial year amounted to a profit of £463,475 (2012: loss of £2,671,127). The directors do not recommend the payment of a dividend (2012: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period 1 January 2013 to the date of this report.

J G Madgwick
Eneco BV

Other changes in directors holding office are as follows:

M W M Van Der Linden - resigned 26 February 2013
P M Tavenier - appointed 26 February 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

PROVISION OF INFORMATION TO AUDITOR

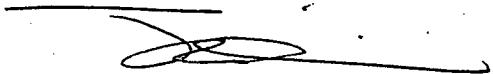
Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as each of the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements are being made for it to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board:



J G Madgwick - Director

Date: 

2014

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBER OF
ENECO WIND UK LIMITED**

We have audited the financial statements of Eneco Wind UK Limited for the year ended 31 December 2013 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes 1 to 23. 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 member, 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 member those matters we are required to state to it 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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 (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

Date: 15 July 2014

ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

		2013	2012
	Note	£	£
TURNOVER		979,295	725,172
Administrative expenses		<u>(2,107,049)</u>	<u>(2,097,918)</u>
GROSS LOSS		(1,127,754)	(1,372,746)
Other operating income	2	<u>64,525</u>	<u>77,280</u>
OPERATING LOSS	4	(1,063,229)	(1,295,466)
Interest receivable and similar income	5	3,223,089	2,149,395
Interest payable and similar charges	6	<u>(1,696,385)</u>	<u>(3,525,056)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		463,475	(2,671,127)
Tax on profit/(loss) on ordinary activities	7	<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	18	<u>463,475</u>	<u>(2,671,127)</u>

CONTINUING OPERATIONS

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

There are no recognised gains and losses for the current or preceding financial year other than the profit of £463,475 (2012: loss of £2,671,127). Accordingly, no separate statement of total recognised gains and losses is presented.


The notes form part of these financial statements

ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

**BALANCE SHEET
31 DECEMBER 2013**

		2013	2012
		£	as restated £
FIXED ASSETS	Note		
Tangible assets	9	2,702,680	5,761,038
Investments	10	<u>62,194,112</u>	<u>37,081,744</u>
		<u>64,896,792</u>	<u>42,842,782</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	11	1,972,576	2,307,517
Debtors: amounts falling due after more than one year	11	125,739,601	36,446,800
Cash at bank and in hand		<u>14,985,506</u>	<u>1,692,788</u>
		142,697,683	40,447,105
CREDITORS			
Amounts falling due within one year	12	<u>(1,441,092)</u>	<u>(724,752)</u>
NET CURRENT ASSETS		<u>141,256,591</u>	<u>39,722,353</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		206,153,383	82,565,135
CREDITORS			
Amounts falling due after more than one year	13	(144,238,921)	(87,151,081)
PROVISIONS FOR LIABILITIES	16	<u>(15,174,700)</u>	<u>(4,137,767)</u>
NET ASSETS/(LIABILITIES)		<u>46,739,762</u>	<u>(8,723,713)</u>
CAPITAL AND RESERVES			
Called up share capital	17	55,000,001	1
Profit and loss account	18	<u>(8,260,239)</u>	<u>(8,723,714)</u>
SHAREHOLDER'S FUNDS	21	<u>46,739,762</u>	<u>(8,723,713)</u>

The financial statements of Eneco Wind UK Limited were approved by the Board of Directors and authorised for issue on 7th July 2014 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 2013

1. ACCOUNTING POLICIES

Basis of preparation

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The directors have considered the use of the going concern basis in the preparation of the financial statements in light of the current financial position of the company and forecast cash flows for the period of at least 12 months from approval of the financial statements, and have concluded that it is appropriate at the date of signing the audit report.

In forming this conclusion, the directors have considered that the company and more in particular its subsidiaries are expected to generate positive cash flows in the forthcoming financial year and for the foreseeable future, thus enabling the company to meet its financial obligations as they fall due. In addition the directors consider that the direct parent company continues to be supportive of the projects in which the company has invested, which was endorsed in 2013 by converting in 2013 part of the inter-company loan into equity. The directors also consider the terms of the inter-company loan agreement to conclude that the Company will enjoy the financial support from the immediate parent company for the foreseeable future.

The company has met all contractual payments as they have fallen due up to the date of approving the financial statements, and the forecasts indicate that the company can continue to meet such payments for the foreseeable future.

Cash flow statement

In accordance with Financial Reporting Standard 1 the company has taken the exemption from the requirement to prepare a cash flow statement, as it is included within the consolidated financial statements of Eneco Holding NV and greater than 90% of the voting rights are held by Eneco Holding NV.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. The cost of tangible fixed assets includes all costs that are directly attributable to bringing the asset into working condition for its intended use.

Development expenditure in relation to future wind farm projects is written off as incurred, except where the directors are satisfied as to the technical, commercial and financial viability of the individual project. In such cases, the identifiable expenditure is capitalised and depreciated over the life of the project, starting on the date of commissioning.

Depreciation is provided at the following annual rates in order to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Fixtures and fittings	-	15% on cost
Computer equipment	-	15% on reducing balance
Assets in the course of construction	-	Not depreciated

A review for impairment of tangible fixed assets is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

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.

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. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax

Current tax, including UK Corporation 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.

Turnover

Turnover is stated net of VAT. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Turnover represents the charges made to group and joint ventures for staff time and other services provided.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

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 undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Eneco Holding NV, a company incorporated in the Netherlands.

Related party transactions

Exemption has been taken, as a wholly-owned subsidiary, under Financial Reporting Standard 8 from the requirement to disclose certain related party transactions with other wholly-owned subsidiaries of Eneco Holding NV.

2. OTHER OPERATING INCOME

	2013	2012
	£	£
Recharge income from related companies	<u>64,525</u>	<u>77,280</u>

3. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	941,942	926,222
Social security costs	132,257	121,111
Other pension costs	<u>87,722</u>	<u>79,433</u>
	<u>1,161,921</u>	<u>1,126,766</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

3. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2013	2012
Development	9	8
Administration	4	3
Management	4	4
	<u>17</u>	<u>15</u>

4. OPERATING LOSS

The operating loss is stated after charging:

	2013	2012
	£	£
Depreciation - owned assets	14,652	14,652
Auditor's remuneration	8,500	9,750
Foreign exchange differences	2,377	3,684
Operating leases - plant and machinery	40,026	46,369
Operating leases - other	<u>61,102</u>	<u>52,748</u>
Directors' remuneration	157,509	158,005
Directors' pension contributions to money purchase schemes	<u>11,829</u>	<u>11,540</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Deposit account interest	1,224	-
Interest receivable from group companies	<u>3,221,865</u>	<u>2,149,395</u>
	<u>3,223,089</u>	<u>2,149,395</u>

Interest has been charged at 6% per annum on the loans to Tullo Wind Farm Limited, LZN Limited, Carbon Free Moy Limited and Eneco UK Solar 01 Limited, all 100% owned subsidiaries.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Other interest	6	761
Interest payable to group companies	<u>1,696,379</u>	<u>3,524,295</u>
	<u>1,696,385</u>	<u>3,525,056</u>

Interest has been charged at 4.5% per annum on the loan from Eneco Wind UK BV.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

7. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 or for the year ended 31 December 2012.

Factors affecting the tax charge

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2013 £	2012 £
Profit/(loss) on ordinary activities before tax	<u>463,475</u>	<u>(2,671,127)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%)	107,757	(654,426)
Effects of:		
Expenses not deductible for tax purposes	-	125,164
Depreciation in excess of capital allowances	3,407	2,128
Losses not utilised	-	59,350
(Received)/surrendered as group relief	<u>(111,164)</u>	<u>467,784</u>
Current tax charge	<u>-</u>	<u>-</u>

A deferred tax asset of £621,117 (2012: £664,038) has not been recognised on the grounds that recoverability is not certain.

The Finance Bill 2013 enacted on 17 July 2013 reduced the corporation tax rate from 23% to 21% with effect from April 2014 and a further reduction to 20% with effect from April 2015.

The directors are not aware of any other factors that will materially affect the future tax charge.

8. PRIOR YEAR ADJUSTMENT

The balance sheet has been restated to show development costs totalling £5,733,123 as tangible fixed assets, which is in line with the group treatment of the assets and makes the financial statements clearer for users. In the previous year development costs were classified as an intangible asset. There is no profit and loss impact from the restatement.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

9. TANGIBLE FIXED ASSETS

	Development costs £	Fixtures and fittings £	Computer equipment £	Total £
COST				
At 1 January 2013 (restated)	5,733,123	17,037	61,155	5,811,315
Additions	5,059,474	-	-	5,059,474
Disposals	(7,957,870)	-	-	(7,957,870)
Reclassification/transfer	(145,310)	-	-	(145,310)
At 31 December 2013	<u>2,689,417</u>	<u>17,037</u>	<u>61,155</u>	<u>2,767,609</u>
DEPRECIATION				
At 1 January 2013 (restated)	-	5,267	45,010	50,277
Charge for year	-	1,440	13,212	14,652
At 31 December 2013	-	<u>6,707</u>	<u>58,222</u>	<u>64,929</u>
NET BOOK VALUE				
At 31 December 2013	<u>2,689,417</u>	<u>10,330</u>	<u>2,933</u>	<u>2,702,680</u>
At 31 December 2012 (restated)	<u>5,733,123</u>	<u>11,770</u>	<u>16,145</u>	<u>5,761,038</u>

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2013	37,081,744
Additions	24,967,058
Reclassification/transfer	<u>145,310</u>
At 31 December 2013	<u>62,194,112</u>
NET BOOK VALUE	
At 31 December 2013	<u>62,194,112</u>
At 31 December 2012	<u>37,081,744</u>

ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013**

10. FIXED ASSET INVESTMENTS - continued

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
LZN Limited	England & Wales	Ordinary	100
Erica Wind Farm Limited	England & Wales	Ordinary	100
Carbon Free Moy Limited	England & Wales	Ordinary	100
Eneco UK Solar 01 Limited	England & Wales	Ordinary	100
Eneco Burn of Whilk Limited	England & Wales	Ordinary	100
Polar Energy (Renewables) Limited	England & Wales	Ordinary	100
Principal Activity:			
Tullo Wind Farm Limited	Development and operation of a wind farm		
LZN Limited	Development and operation of a wind farm		
Erica Wind Farm Limited	Development and operation of a wind farm		
Carbon Free Moy Limited	Development and operation of a wind farm		
Eneco UK Solar 01 Limited	Development and operation of a solar farm		
Eneco Burn of Whilk Limited	Development and operation of a wind farm		
Polar Energy (Renewables) Limited	Development and operation of a wind farm		

On 12 June 2013, the company acquired 100% of the issued share capital of Carbon Free Moy Limited.

On 26 November 2013, the company acquired 100% of the share capital of Eneco UK Solar 01 Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

11. DEBTORS

	2013 £	2012 £
Amounts falling due within one year		
Amounts owed by group undertakings	62,150	10,505
Amounts owed by group undertakings - loans	1,200,000	1,200,000
Other debtors	637,343	269,983
VAT	-	752,326
Prepayments	73,083	74,703
	<u>1,972,576</u>	<u>2,307,517</u>
 Amounts falling due after more than one year		
Amounts owed by group undertakings	-	79,193
Amounts owed by group undertakings - loans	125,739,601	36,367,607
	<u>125,739,601</u>	<u>36,446,800</u>
 Aggregate amount	<u>127,712,177</u>	<u>38,754,317</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Trade creditors	3,832	23,621
Social security and other taxes	37,487	32,307
VAT	1,053,974	-
Other creditors	-	6,202
Accrued expenses	345,799	662,622
	<u>1,441,092</u>	<u>724,752</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Amounts due to group undertakings (see note 14)	<u>144,238,921</u>	<u>87,151,081</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013

14. **BORROWINGS**

An analysis of the maturity of loans is given below:

	2013 £	2012 £
Amounts falling due in more than five years		
Repayable otherwise than by instalments		
Amounts due to group undertakings	<u>144,238,921</u>	<u>87,151,081</u>
	<u>144,238,921</u>	<u>87,151,081</u>

The above loan is unsecured and interest is charged on the loan at a rate of 4.5% per annum. Repayment is due on 31 December 2031.

15. **OPERATING LEASE COMMITMENTS**

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		Other operating leases	
	2013 £	2012 £	2013 £	2012 £
Expiring:				
Within one year	-	66,804	-	-
Between one and five years	-	-	28,048	37,128
Over five years	<u>64,000</u>	-	-	-
	<u>64,000</u>	<u>66,804</u>	<u>28,048</u>	<u>37,128</u>

16. **PROVISIONS FOR LIABILITIES**

	2013 £	2012 £
Other provisions		
Deferred consideration	<u>15,174,700</u>	<u>4,137,767</u>

Included within the provision for deferred consideration is an amount of £14,750,000 in respect of the acquisition of Carbon Free Moy Limited which became payable post year-end.

Also included within the provision is an amount of £424,700 in respect of the acquisition of Eneco UK Solar 01 Limited which became payable on 11 March 2014. Please also see note 19.

ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013**

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2013	2012
Number:	Class:			
			£	£
55,000,001	Ordinary	£1	<u>55,000,001</u>	<u>1</u>

55,000,000 Ordinary shares of £1 each were allotted and fully paid for in cash at par during the year.

18. RESERVES

	Profit and loss account £
At 1 January 2013	(8,723,714)
Profit for the year	<u>463,475</u>
At 31 December 2013	<u>(8,260,239)</u>

19. CONTINGENT LIABILITIES

On 26 November 2013, the company acquired 100% of the share capital of Eneco UK Solar 01 Limited. Additional consideration of up to £578,750 may become payable based on predetermined criteria. Of this amount £424,700 has been provided as the criteria were met post year-end. The remaining £154,050 may become payable subject to conditions being achieved in respect of the ROC banding achieved by the company.

20. RELATED PARTY DISCLOSURES

Exemption has been taken, as a wholly-owned subsidiary, under Financial Reporting Standard 8 from the requirement to disclose certain related party transactions with other wholly owned subsidiaries of Eneco Holding NV.

Navitus Bay Developments Limited

Loans to a value of £nil (2012: £1,527,985) were advanced during the year. Interest totalling £nil (2012: £215,337) was charged during the year. Interest on the loan was charged at 6% per annum.

During the year the company received income in relation to recharges to the total of £932,819 (2012: £795,426). These costs related to the provision of staff, desks, IT and other costs incurred by Eneco Wind UK Limited on behalf of Navitus Bay Development Limited. At 31 December 2013, the debtor amounted to £55,654 (2012: £79,193).

ENECO WIND UK LIMITED (REGISTERED NUMBER: 06616497)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2013**

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2013 £	2012 £
Profit/(loss) for the financial year	463,475	(2,671,127)
Issue of share capital	<u>55,000,000</u>	<u>-</u>
Net addition/(reduction) to shareholder's funds	55,463,475	(2,671,127)
Opening shareholder's funds	<u>(8,723,713)</u>	<u>(6,052,586)</u>
Closing shareholder's funds	<u>46,739,762</u>	<u>(8,723,713)</u>

On 2 September 2013, there was an agreement between Eneco Wind UK BV and Eneco Wind UK to convert £55,000,000 of loan balances to equity share capital. The agreement was to purchase 55,000,000 shares each for £1, at a nominal value of £1 per share. As a consequence of this, there is an increase in share capital of £55,000,000.

22. 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 undertaking 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 company are consolidated. Copies of the group financial statements can be obtained from the company secretary at the company registered office.

23. CONTROL

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