

Company Registration number
(England and Wales)
07086676

SCOUT MOOR WIND FARM (NO.2) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS

Year Ended
31 December 2016



SCOUT MOOR WIND FARM (NO.2) LIMITED
Annual report and financial statements
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SCOUT MOOR WIND FARM (NO.2) LIMITED
Company Information

Directors

Barbara Saller (resigned 28 February 2017)

Ian Gentles

Nils Klatt

Achim Stegner (resigned 28 February 2017)

Secretary

Derek Henderson (appointed 26 August 2016)

Daimon Riley (resigned 26 August 2016)

Auditors

KPMG LLP

Botanic House

100 Hills Road

Cambridge

CB2 1AR

Bankers

Barclays Bank PLC

1 Churchill Place

London

E14 5HP

Registered office

c/o Great Lakes Reinsurance (UK) SE

Plantation Place

30 Fenchurch Street

London

EC3M 3AJ

Registered number

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SCOUT MOOR WIND FARM (NO.2) LIMITED

Registered number: 07086676

Strategic Report

The directors present their annual report and financial statements for the year ended 31 December 2016. The strategic report has been prepared in accordance with the special provision relating to small companies under section 417(1) of the Companies Act 2006. Accordingly, an Enhanced Business Review has not been prepared.

Principal activity

The principal activity of the company during the year was wind farm development.

Business Review

The Directors were satisfied with the results of the business for the year ended 31 December 2016 .

Risks and Uncertainties

The principal aim of the company is to maximise results from long term investment in the subsidiary whilst minimising risks. The directors have appointed a management team to ensure that key risks are clearly identified and to establish systems and processes to manage and mitigate those risks.

The directors consider that there is one key risk to the company being the risk that the net book value of investment is not supported by the present value of the anticipated future cash flows generated by the subsidiary.

The risk is mitigated by way of a bi-annual review of the present value of the anticipated future cash flows and the mitigation of the key risks of the subsidiaries as described in the directors' reports of the subsidiaries accounts.

Going concern

After making enquiries, 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.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in Note 1 of the financial statements.

This report was approved by the board on 11 May 2017 and signed on its behalf.



Nils Klatt
Director



Ian Gentles
Director

SCOUT MOOR WIND FARM (NO.2) LIMITED

Registered number: 07086676

Directors' Report

The directors present their annual report and financial statements for the year ended 31 December 2016. The company has elected to adopt FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Please see note 1 to the accounts for details.

Results and dividends

The Company made a loss for the year to 31 December 2016 of £5,778 (31 December 2015 loss £645,303).

No dividends were paid in the year (31 December 2015 : £nil).

Directors

The following persons served as directors during the year:

Barbara Saller (resigned 28 February 2017)
Ian Gentles
Nils Klatt
Achim Stegner (resigned 28 February 2017)

The directors who held office at 31 December 2016 had no interest in the shares in, or debentures or loan stock of the company or group companies.

Political donations

The company made no political donation or incurred any political expenditure during the year (2015 £nil).

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he/she has taken all the steps that he ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Strategic report

The principal activities of the Company, a business review, principle risks and uncertainties of the Company and risk management objectives and policies have not been included in this report as they are disclosed in the Strategic Report.

This report was approved by the board on 11 May 2017 and signed on its behalf.



Nils Klatt
Director



Ian Gentles
Director

c/o Great Lakes Reinsurance (UK) SE
Plantation Place
30 Fenchurch Street
London
EC3M 3AJ

SCOUT MOOR WIND FARM (NO.2) LIMITED

Statement of Directors' Responsibilities in respect of the Strategic Report, the Director's Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditors' Report To The Member Of Scout Moor Wind Farm (No.2) Limited

We have audited the accounts of SCOUT MOOR WIND FARM (NO.2) LIMITED for the year ended 31 December 2016, set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

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 auditors

As explained more fully in the Statement of Directors' Responsibilities, set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

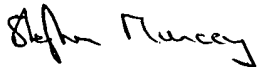
- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent Auditors' Report To The Member Of Scout Moor Wind Farm (No.2) 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, 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.



Stephen Muncey (Senior Statutory Auditor)

for and on behalf of KPMG LLP
Accountants and Statutory Auditors

Date: 11 May 2017

Botanic House
100 Hills Road
Cambridge
CB2 1AR

SCOUT MOOR WIND FARM (NO.2) LIMITED
Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Administrative expenses	2	(5,001)	(8,350)
Operating loss		<u>(5,001)</u>	<u>(8,350)</u>
Impairment of fixed assets		-	(375,113)
Interest payable	3	-	(330,446)
Loss before taxation		<u>(5,001)</u>	<u>(713,909)</u>
Tax on loss	4	(777)	68,606
Loss for the financial year		<u>(5,778)</u>	<u>(645,303)</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>(5,778)</u>	<u>(645,303)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 10 to 15 are an integral part of the financial statements.

SCOUT MOOR WIND FARM (NO.2) LIMITED

Registered number: 07086676

Balance Sheet

as at 31 December 2016

	Notes	2016 £	2015 £
Current assets			
Debtors	5	35,232	36,010
Cash at bank and in hand		<u>1,152</u>	<u>107</u>
		36,384	36,117
Creditors: amounts falling due within one year	6	(15,654)	(9,609)
Net current assets		<u>20,730</u>	<u>26,508</u>
Net assets		<u>20,730</u>	<u>26,508</u>
Capital and reserves			
Called up share capital	8	8,170,117	8,170,117
Profit and loss account		<u>(8,149,387)</u>	<u>(8,143,609)</u>
Shareholder's funds		<u>20,730</u>	<u>26,508</u>

The accompanying notes on pages 10 to 15 are an integral part of the financial statements.

**Nils Klatt**

Director

Approved by the board on 11 May 2017

**Ian Gentles**

Director

SCOUT MOOR WIND FARM (NO.2) LIMITED
Statement of Changes in Equity
for the year ended 31 December 2016

	Called up Share capital £	Profit and loss account £	Total Equity £
At 1 January 2015	1	(7,498,306)	(7,498,305)
Total comprehensive income for the period			
Profit for the financial year	-	(645,303)	(645,303)
Transactions with owners, recorded directly in equity			
Shares issued	8,170,116	-	8,170,116
At 31 December 2015	<u>8,170,117</u>	<u>(8,143,609)</u>	<u>26,508</u>
At 1 January 2016	8,170,117	(8,143,609)	26,508
Total comprehensive income for the period			
Loss for the financial year	-	(5,778)	(5,778)
At 31 December 2016	<u>8,170,117</u>	<u>(8,149,387)</u>	<u>20,730</u>

The accompanying notes on pages 10 to 15 are an integral part of the financial statements.

SCOUT MOOR WIND FARM (NO.2) LIMITED
Notes to the financial statements
for the year ended 31 December 2016

1 Accounting policies

Accounting convention and basis of preparation

SCOUT MOOR WIND FARM (NO.2) LIMITED (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 06335005 and the registered address is c/o Great Lakes Reinsurance (UK) SE, Plantation Place, 30 Fenchurch Street, London, EC3M 3AJ.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

The Company's ultimate parent undertaking, Münchener Rückversicherungsgesellschaft AG includes the Company in its consolidated financial statements. The consolidated financial statements of Münchener Rückversicherungsgesellschaft AG are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Königinstrasse 107, 80802 Munich, Germany. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Going concern

Based on the understanding of the company and of its fellow subsidiaries' and group's long term forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure exemptions

The company is exempt from producing group accounts under section 400 of the Companies Act 2006, on the basis that its financial statements are consolidated into the financial statements of Münchener Rückversicherungsgesellschaft AG, which are available to the public and may be obtained from Königinstrasse 107, 80802 Munich, Germany.

The company has also taken advantage of the exemption in FRS 102 (FRS102 s1.12b) from the requirement to present a cash flow statement on that grounds that it is a qualifying entity (i.e. a member of a group of which the parent prepares publicly available consolidated financial statements that are intended to give a true and fair view).

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

SCOUT MOOR WIND FARM (NO.2) LIMITED
Notes to the financial statements
for the year ended 31 December 2016

1 Accounting policies (continued)

Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment

Expenses

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Impairment of fixed assets and goodwill

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

SCOUT MOOR WIND FARM (NO.2) LIMITED
Notes to the financial statements
for the year ended 31 December 2016

1 Accounting policies (continued)

Taxation

Tax on the profit or loss for the year comprises of current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Expenses and auditor's remuneration	2016 £	2015 £
<i>Auditor's remuneration:</i>		
Audit of these financial statements	2,223	3,806
Taxation services	2,670	4,337
	<hr/> 4,893	<hr/> 8,143
3 Interest payable and similar charges	2016 £	2015 £
Interest payable on financial liabilities at amortised cost	-	330,446
	<hr/> -	<hr/> 330,446
<i>Including interest paid to group undertakings of:</i>	-	330,446

SCOUT MOOR WIND FARM (NO.2) LIMITED
Notes to the financial statements
for the year ended 31 December 2016

4 Taxation	2016 £	2015 £
<i>Current year UK tax</i>		
Current tax on income for the year	(1,000)	(68,606)
Adjustments in respect of prior periods	(15)	-
Total current tax credit	(1,015)	(68,606)
Deferred tax		
Adjustments in respect of prior periods	1,792	-
Deferred tax charge	1,792	-
Total tax charge/(credit) for the year	777	(68,606)

	2016		2015	
	Current tax	Deferred tax	Current tax	Deferred tax
Recognised in P & L	1,015	1,792	(68,606)	-
Total tax charge / (credit)	1,015	1,792	(68,606)	-

Reconciliation of effective tax rate	2016 £	2015 £
Loss for the year	(5,778)	(270,190)
Total tax expense/(credit)	777	(68,606)
Loss excluding taxation	(5,001)	(338,796)
Tax using UK corporation tax rate of 20% (2015: 20.25%)	(1,000)	(68,606)
Non-deductible expenses	(15)	-
Adjustments to tax in respect of previous periods	1,792	-
Total tax expense / (credit) included in profit and loss	777	(68,606)

Factors affecting future tax charges:

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The amount of net deferred tax expected to unwind in the year beginning after the reporting period cannot be estimated with certainty. The calculation of deferred tax has been prepared based on a reasonableness estimation of when the timing difference will unwind with reference to the future tax rates substantively enacted at the balance sheet date.

SCOUT MOOR WIND FARM (NO.2) LIMITED
Notes to the financial statements
for the year ended 31 December 2016

5 Debtors	2016	2015
	£	£
Amounts owed by group undertakings	1,445	430
Deferred tax asset (see note 7)	33,787	35,580
	<u>35,232</u>	<u>36,010</u>
Amounts due after more than one year included above	<u>33,787</u>	<u>35,580</u>

6 Creditors: amounts falling due within one year	2016	2015
	£	£
Amounts owed to group undertakings	6,514	100
Accruals	9,140	9,509
	<u>15,654</u>	<u>9,609</u>

7 Deferred tax assets and liabilities

	Assets		Liabilities		Net	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	£	£	£	£	£	£
On tax losses	33,787	35,580	-	-	33,787	35,580
Total tax	<u>33,787</u>	<u>35,580</u>	<u>-</u>	<u>-</u>	<u>33,787</u>	<u>35,580</u>

The amount of net deferred tax expected to unwind in the year beginning after the reporting period cannot be estimated with certainty. The calculation of deferred tax has been prepared based on a reasonableness estimation of when the timing difference will unwind with reference to the future tax rates substantively enacted at the balance sheet date. The rate used as at the balance sheet date is 19%.

8 Capital and reserves	2016	2015
Share capital	£	£
<i>Allotted, called up and fully paid</i>		
8,170,117 Ordinary shares of £1 each	8,170,117	8,170,117
Shares classified in capital and reserves	<u>8,170,117</u>	<u>8,170,117</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

SCOUT MOOR WIND FARM (NO.2) LIMITED
Notes to the financial statements
for the year ended 31 December 2016

9 Employees

There were no employees during the year or prior period apart from the directors. No director received any remuneration for their services to the company (year ended 31 December 2015: £nil).

10 Related parties

Identity of related parties with which the Company has transacted

The Company's immediate parent company is Scout Moor Group Ltd, a company incorporated in England and Wales. A shareholder loan agreement is in place between the Company and its immediate parent. The ultimate controlling party is Münchener Rückversicherungsgesellschaft AG which has a 100% ownership through the group structure.

The company has taken advantage of the exemptions conferred by Section 33.1A of FRS 102 and has not disclosed related party transactions for wholly owned companies within the group.

11 Controlling party

The Company is a subsidiary undertaking of Münchener Rückversicherungsgesellschaft AG, which is the ultimate parent company incorporated in Germany.

The largest and smallest group in which the results of the Company are consolidated is that headed by Münchener Rückversicherungsgesellschaft AG. The consolidated financial statements of this group are available to the public and may be obtained from Königinstrasse 107, 80802 Munich, Germany.

12 Non adjusting events after the financial period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.