

Registration number 08193114

# Black Hill Wind Farm Holdco Limited

Directors' Report and Financial Statements

for the Period from 28 August 2012 to 31 December 2012

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**Black Hill Wind Farm Holdco Limited**  
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**Black Hill Wind Farm Holdco Limited**  
**Directors' Report for the Period from 28 August 2012 to 31 December 2012**

The directors present their report and the financial statements for the period from 28 August 2012 to 31 December 2012

**Incorporation**

The company was incorporated on 28 August 2012

**Directors of the company**

The directors who served throughout the period and up to the date of this report (except where noted) were as follows

Mr T Haga (appointed 28 August 2012)

BIIF Corporate Services Limited (appointed 28 August 2012)

**Company Secretary**

Mr D Hearth served as the company secretary throughout the current period

**Principal activity**

The principal activity of the company is to act as a holding company to its subsidiary which owns and operates a wind farm

The directors do not anticipate any changes to the business activities in the forthcoming year

**Dividends**

The directors do not recommend a final dividend payment in respect of the current period

**Business review**

***Fair review of the business***

The company made a profit for the period of £6,775,000, which has been carried forward. The profit in the period included a dividend receipt of £7,083,000

***Principal risks and uncertainties***

The main risks to the company relate to the performance of the company's subsidiary, whose main risk is the level of wind arising at the wind farm during the period

The company has few relationships with trading partners outside of the group, so it is not exposed to significant credit risk

The company reduces the risk of changes in interest rates by swapping the majority of its floating interest rate payments with fixed rate payments

**Black Hill Wind Farm Holdco Limited**  
**Directors' Report for the Period from 28 August 2012 to 31 December 2012**

*..... continued*

**Disclosure of information to the auditor**

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**Directors' indemnities**

The company has made no qualifying third party indemnity provisions for the benefit of its directors.

**Going concern**

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the notes to the financial statements.

Approved by the Board on 15 October 2013 and signed on its behalf by

  
Mr T Haga  
Director

## **Black Hill Wind Farm Holdco Limited**

### **Statement of Directors' Responsibilities**

The directors are responsible for preparing 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 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, and
- 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.

## **Independent Auditor's Report to the Members of Black Hill Wind Farm Holdco Limited**

We have audited the financial statements of Black Hill Wind Farm Holdco Limited for the period ended 31 December 2012 which comprise the Profit and Loss Account, Balance Sheet and the related notes. 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).

### **Respective Responsibilities of Directors and Auditors**

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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.

This report, including the opinions, has been prepared for and only for the Company's Members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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 Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the period 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 period for which the financial statements are prepared is consistent with the financial statements.

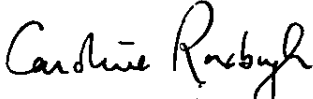
**Independent Auditor's Report to the Members of  
Black Hill Wind Farm Holdco Limited**

*..... 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



Caroline Roxburgh (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditor  
Edinburgh  
United Kingdom

25 October 2013

**Black Hill Wind Farm Holdco Limited**  
**Profit and Loss Account for the Period from 28 August 2012 to 31 December 2012**

	Note	28 August 2012 to 31 December 2012 £ 000
Turnover		-
Operating profit/(loss)		-
Interest receivable and similar income	3	7,320
Interest payable and similar charges	4	(545)
Profit on ordinary activities before taxation		6,775
Tax on profit on ordinary activities	5	-
Profit for the financial period		<u>6,775</u>

There were no recognised gains or losses other than the profit for the period and therefore no statement of total recognised gains and losses is given. All gains or losses arose from continuing operations.

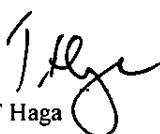
There is no difference between the profit on ordinary activities before taxation and the profit for the period stated above and their historical cost equivalents.



**Black Hill Wind Farm Holdco Limited**  
**(Registration number: 08193114)**  
**Balance Sheet at 31 December 2012**

	Note	31 December 2012 £ 000
<b>Fixed assets</b>		
Investments	6	<u>37,622</u>
<b>Current assets</b>		
Debtors	7	18,913
Cash at bank and in hand		<u>2,526</u>
		21,439
Creditors amounts falling due within one year	8	<u>(29,841)</u>
Net current liabilities		<u>(8,402)</u>
Total assets less current liabilities		29,220
Creditors Amounts falling due after more than one year	9	<u>(22,444)</u>
Net assets		<u><u>6,776</u></u>
<b>Capital and reserves</b>		
Called up share capital	11	1
Profit and loss account		<u>6,775</u>
Shareholder's funds	12	<u><u>6,776</u></u>

The financial statements of Black Hill Wind Farm Holdco Limited (registered number 08193114) were approved by the Board and authorised for issue on 15 October 2013 and signed on its behalf by

  
Mr T Haga  
Director

**Black Hill Wind Farm Holdco Limited**  
**Notes to the Financial Statements for the Period from 28 August 2012 to 31 December**  
**2012**

**1 Accounting policies**

The financial statements have been prepared in accordance with applicable United Kingdom laws and accounting standards

**Basis of accounting**

The financial statements have been prepared under the historical cost convention

The company has taken advantage of the exemption from preparing a cash flow statement afforded by FRS 1 Cash Flow Statements - because it is a wholly-owned subsidiary of BIIF Holdco Limited. BIIF Holdco Limited prepares consolidated accounts which include a cash flow statement and are publicly available

**Exemption from preparing group accounts**

The company has taken exemption from preparing group accounts as it is included in consolidated accounts for a larger group which are drawn up as full consolidated audited accounts which are filed at Companies House

**Going concern**

The financial statements have been prepared on a going concern basis

The Company's ability to continue as a going concern is assessed in conjunction with the ability of the Black Hill Wind Farm Group's (the "Group's") ability to continue as a going concern. The Company's viability is dependent upon the Group's ability and willingness to provide ongoing funds for working capital needs

The Group has confirmed to the directors that it will not demand repayment for existing unsecured intercompany loans such that insolvency would result, and will continue to provide financial support to enable the company to meet its liabilities as they fall due for the foreseeable future for a period of at least 12 months from the date of signing of the Annual Report and Accounts

The directors have considered the Group's cash flow forecast for the period to the end of December 2014. The directors of the Company are satisfied after appropriate consultation with the directors of the Group, and review of forecasts and projections, and taking account of reasonable possible changes in trading performance and the current funds available, that the Company is able to operate for at least 12 months from the signing of the Annual Report and Accounts. For this reason the directors believe that the Company has adequate resources to continue in operational existence and therefore it is appropriate that the Company continues to adopt the going concern basis in preparing the Annual Report and Accounts

**Fixed asset investments**

Fixed asset investments are stated at historical cost less provision for any diminution in value

**Current Tax**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

**Bank borrowings**

Interest-bearing bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise

## **Black Hill Wind Farm Holdco Limited**

### **Notes to the Financial Statements for the Period from 28 August 2012 to 31 December 2012**

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#### **Financial Instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

#### **2 Directors and employees**

None of the directors received any remuneration during the period in respect of their services to the company. The company had no employees during the period.

#### **3 Interest receivable and similar income**

	<b>28 August 2012 to 31 December 2012 £ 000</b>
Dividends receivable from fixed asset investments	7,083
Interest receivable from group undertakings	237
	<u>7,320</u>

#### **4 Interest payable and similar charges**

	<b>28 August 2012 to 31 December 2012 £ 000</b>
Interest payable to group undertakings	352
Interest payable on bank loans	193
	<u>545</u>

**Black Hill Wind Farm Holdco Limited**  
**Notes to the Financial Statements for the Period from 28 August 2012 to 31 December**  
**2012**

..... *continued*

**5 Taxation**

**Tax on profit on ordinary activities**

**28 August  
2012 to 31  
December  
2012  
£ 000**

**Current tax**

UK Corporation tax charge at 24%

-

Total current tax charge/(credit)

-

Total tax charge/(credit) on profit on ordinary activities

-

**Factors affecting current tax charge for the period**

The differences between the total current tax shown above and the amount calculated by applying the average tax rate of UK corporation tax to the profit before tax are as follows

**28 August  
2012 to 31  
December  
2012  
£ 000**

Profit on ordinary activities before taxation

6,775

Tax on profit on ordinary activities at the average UK corporation tax rate of 24%

1,626

Income not taxable for tax purposes

(1,700)

Utilisation of tax losses

74

Total current tax

-

**Black Hill Wind Farm Holdco Limited**  
**Notes to the Financial Statements for the Period from 28 August 2012 to 31 December**  
**2012**

..... *continued*

**6 Investments held as fixed assets**

**31**  
**December**  
**2012**  
**£ 000**

Shares in group undertakings and participating interests	<u>37,622</u>
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At the 31 December 2012, the company owned 100% of the shares in Black Hill Wind Farm Limited which is involved in the production and sale of wind generated electricity and associated benefits

**7 Debtors**

**31**  
**December**  
**2012**  
**£ 000**

Amounts owed by group undertakings	<u>18,913</u>
	<u>18,913</u>

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest of 7.5% per annum for the period between 29 October 2012 and 31 October 2017, 8.5% per annum for the period between 1 November 2017 and 31 October 2022 and 9.5% per annum for the period between 1 November 2022 and the redemption date

**Black Hill Wind Farm Holdco Limited**  
**Notes to the Financial Statements for the Period from 28 August 2012 to 31 December**  
**2012**

..... *continued*

**8 Creditors, amounts falling due within one year**

	<b>31 December 2012 £ 000</b>
Trade creditors	210
Bank loans (see 'Bank loans' note)	1,150
Amounts owed to group undertakings	28,042
Accruals and deferred income	439
	<u>29,841</u>

Amounts owed to group undertakings are unsecured, repayable on demand and bear interest of 7.5% per annum for the period between 29 October 2012 and 31 October 2017, 8.5% per annum for the period between 1 November 2017 and 31 October 2022 and 9.5% per annum for the period between 1 November 2022 and the redemption date

**9 Creditors, amounts falling due after more than one year**

	<b>31 December 2012 £ 000</b>
Bank loans (see 'Bank loans' note)	<u>22,444</u>

# Black Hill Wind Farm Holdco Limited

## Notes to the Financial Statements for the Period from 28 August 2012 to 31 December 2012

..... continued

### 10 Bank loans

	31 December 2012 £ 000
Amounts due are repayable as follows:	
Within one year	1,150
Between one and two years	1,329
Between two and five years	5,285
Over five years	15,830
	<u>23,594</u>

Bank loans are repayable in non-equal instalments over 11 years. Interest is payable at 2.9% above LIBOR. Interest rate swaps have been used to reduce the company's exposure to fluctuating interest rates. The swaps are in place for 75% of all outstanding non-revolving bank loans, for a minimum of 10 years from the date of first utilisation of the loan. The assets of Black Hill Wind Farm Holdco Limited and all of its subsidiaries form part of the security for the bank loans via fixed and floating charges. Loan issue costs of £1,276,000 incurred in obtaining finance have been netted off against the loan value and will be amortised over the remaining life of the loans.

### 11 Share capital

	31 December 2012 Number
Called up, allotted and fully paid Ordinary shares of £1	<u>1,000</u>

### 12 Reconciliation of movements in shareholder's funds

	31 December 2012 £ 000
Opening shareholder's funds	-
Share capital issued	1
Profit for the period	<u>6,775</u>
Closing shareholder's funds	<u>6,776</u>

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**Black Hill Wind Farm Holdco Limited**  
**Notes to the Financial Statements for the Period from 28 August 2012 to 31 December**  
**2012**

..... *continued*

**13 Derivatives not included at fair value**

Interest rate swaps are held by the company which are not included at fair value within the accounts. The interest rate swaps are held in sterling and euro with a remaining duration of between one and six years and have a negative fair value of £323,000.

**14 Related party disclosures**

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

**15 Ultimate Parent Undertaking**

The company is controlled by the immediate parent company, Black Hill Wind Farm Topco Limited. Black Hill Wind Farm Topco Limited owns 100% of the share capital in the company.

The ultimate controlling party is Barclays Integrated Infrastructure Fund LP, which is owned by a number of investors with no one investor having individual control.