Boreas (Investment) Limited

Annual report and financial statements

Registered number 08692723

For the period ended 31 December 2014

Contents

Company Information

Directors and advisors:

Directors

Rana Ghorayeb
Andreas Beroutsos
Macky Tall

Company Secretary

Eve Giard (appointed 16 September 2013)

Registered office

4th Floor
40 Dukes Place
London
England
EC3A 7NH

Solicitors

Simmons & Simmons LLP
One Ropemaker Street
London
England
EC2Y 9SS

Independent Auditors

Ernst & Young LLP
1 More London Riverside
London
England
SE1 2AF

Strategic Report

Principal activities and business review

On the 31 March 2014 the Company acquired a 25% interest in a large UK offshore wind farm called London Array Limited the primary purpose of which is to harness power from the wind and provide a reliable electricity supply to south east England The wind farm has 175 turbines that are capable of generating enough energy to power nearly half a million UK homes and reduce harmful CO2 emissions by more than 900 000 tonnes a year The Company's goal is to continue providing reliable energy in the foreseeable future whilst keeping its environmental footprint to an absolute minimum

The net current liabilities and net liabilities stand at £124,394k and £21 508k respectively at 31 December 2014 The Company made a loss for the period amounting to £22 508k The directors are confident that the Company is well positioned to achieve sales growth and profitability going forward

Industry analysis and principal risks and uncertainties

The structure of the UK wind energy generation market is currently aligned with the UK power generation market as a whole with almost two thirds of operational wind farms owned by the major UK licensed suppliers i e Centrica, E ON EDF Energy, RWE npower, Scottish and Southern Electricity Scottish Power (part of Iberdrola) These purchasers of electricity are the wholesale energy suppliers which means that any credit risk is from these suppliers not the government There is also the risk that the output of the wind farm will fluctuate in line with wind volatility in the UK

Key performance indicators

The management team responsible for the operations of the business use a number of financial and non-financial KPIs in order to manage and develop the business to achieve the Company's strategic objectives The Company's key financial performance indicators (KPIs) are operating profit margin and cash generation which were 18% and £5 246k respectively

Future developments

The company will continue with its current activities

By order of the board

Macky Tall
Director

Date May 29, 2015

Directors' Report

The directors present their Directors Report and the audited financial statements of the Company for the period from incorporation on 16 September 2013 until 31 December 2014 (referred to as "2014" or "period" throughout the financial statements)

Directors

The directors who held office during the period were as follows

Name	Appointed	Resigned
Rana Ghorayeb	14 October 2014	
Andreas Beroutsos	15 July 2014	
Macky Tall	16 September 2013	
Luc Houle	16 September 2013	14 October 2014
Cyrille Vittecoq	16 September 2013	6 August 2014
Normand Provost	16 September 2013	15 July 2014
Pierre Fortier	16 September 2013	14 October 2014

Going concern

The directors of the Caisse de depôt et placement du Québec group have prepared financial projections for a period of more than twelve months from the date of approval of these financial statements After considering these financial projections the directors have concluded that they have a reasonable expectation that the group and the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis

The immediate parent of the Company, Boreas Holdco Limited have confirmed that for at least 12 months from the date of approval of these financial statements it will not seek repayment of the amounts currently loaned to the company, if repayment of these amounts would result in the company being unable to meet its obligations

Results and dividends

The loss after taxation amounted to (£22 508 000) for the period ended 31 December 2014 The directors do not propose a dividend in respect of the financial year

Political contributions

The Company made no political donations or incurred any political expenditures during the period

Directors' indemnities

The Company maintains liability insurance for its directors and officers This is a qualifying third party indemnity provision for the purposes of the Companies Act 2006 The insurance cover was in force during the year and is still in force at the date of the approving the Directors' report

Disclosure of information to auditors

The directors who held office at the date of approval of this Directors Report confirm that so far as they are each aware there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' Report *(continued)*

Auditors

Ernst & Young LLP were appointed as auditors during the period Pursuant to Section 487 of the Companies Act 2006 the auditors will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office

By order of the board

Macky Tall
Director

4th Floor
40 Dukes Place
London
EC3A 7NH

Date May 29, 2015

Statement of Directors' Responsibilities in respect of the Strategic Report, the Directors' 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)

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 MEMBERS OF BOREAS (INVESTMENT) LIMITED

We have audited the financial statements of Boreas (Investment) Limited for the period ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow and the related notes 1 to 18 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 auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 2014 and of its loss 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 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

Ernst & Young LLP

Natalia Moolman (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

29 May 2015

London

Profit and Loss Account
for the period from 16 September 2013 to 31 December 2014

	Note	16 September 2013 to 31 December 2014 £000
Turnover	2	47,806
Cost of sales		(14,409)
Gross profit		33,397
Administrative expenses		(24,789)
Operating profit	3	8,608
Interest payable and similar charges	6	(34,622)
Loss on ordinary activities before taxation		(26,014)
Tax on loss on ordinary activities	7	3,506
Loss for the financial period	15	(22,508)

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial period stated above and the historical cost equivalents

The results of the Company are generated entirely from continuing operations

The Company has no recognised gains and losses for the period other than those included in the profit and loss account above

The notes on pages 11 to 21 form a part of these financial statements

Balance Sheet
as at 31 December 2014

	Note	**31 December 2014** £000	£000
Fixed assets			
Tangible assets	*8*	**616,904**	
			616,904
Current assets			
Debtors	*10*	**35,503**	
Cash at bank and in hand	*11*	**5,246**	
		40,749	
Creditors Amounts falling due within one year	*12*	**(165,143)**	
Net current liabilities			**(124,394)**
Total assets less current liabilities			**492,510**
Creditors Amounts falling due after one year	*13*		**(514,018)**
Net liabilities			**(21,508)**
Capital and reserves			
Called up share capital	*14*		**1,000**
Profit and loss account	*15*		**(22,508)**
Shareholders' deficit	*16*		**(21,508)**

These financial statements were approved by the board of directors on May 28, 2015 and were signed on its behalf by

Macky Tall
Director

Company registered number 08692723

Cash Flow Statement
as at 31 December 2014

	Note	31 December 2014 £
Cash flows from operating activities		
Loss for the financial period	*15*	**(22,508)**
Adjustments for		
Depreciation	*8*	**23,957**
Deferred tax		**(3,506)**
(Increase)/decrease in trade and other debtors		**(31,997)**
(Decrease)/increase in trade and other creditors		**3,385**
Interest payable and similar charges	*6*	**34,622**
Net cash from operating activities		**3,953**
Cash flows from investing activities		
Acquisition of land and buildings		**(4,531)**
Acquisition of property, plant and equipment		**(636,330)**
Net cash from investing activities	*8*	**(640,861)**
Cash flows from financing activities		
New share capital subscribed	*14*	**1,000**
Loans from group undertakings		**664,804**
Repayment of loans		**(23,650)**
Net cash from financing activities		**642,154**
Net increase in cash and cash equivalents		**5,246**
Cash and cash equivalents 16 September 2013		**-**
Cash and cash equivalents at 31 December 2014	*11*	**5,246**

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements except as noted below

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The Company is a wholly owned member of the group headed by the Caisse de depôt et placement du Quebec Advantage has been taken of the exemption contained in FRS 8 not to disclose transactions or balances with other wholly owned members of the group

During the period the Company acquired a 25% interest in a joint operation and is therefore party to a joint arrangement which is not an entity The Company's share of the income and expenditure, assets liabilities and cash flows have been included in these financial statements

Going concern

The directors of the Caisse de dépôt et placement du Quebec group have prepared financial projections for a period of more than twelve months from the date of approval of these financial statements After considering these financial projections, the directors have concluded that they have a reasonable expectation that the group and the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis

The immediate parent of the Company Boreas Holdco Limited have confirmed that for at least 12 months from the date of approval of these financial statements it will not seek repayment of the amounts currently loaned to the company, if repayment of these amounts would result in the company being unable to meet its obligations

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its present place and working condition for its intended use

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Plant and machinery - 20 years

No depreciation is provided on land and buildings or on fixed asset investments

Notes *(continued)*

1 Accounting policies *(continued)*

Fixed asset investments

Fixed asset investments are stated at the lower of cost and the underlying net asset value of the investments

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Leases

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease

Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount

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 share 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

Interest rate swaps

The Company is using interest rate swaps to manage it s interest rate exposure The company has not adopted FRS 26 and therefore does not fair value the swaps at the year end

Notes *(continued)*

1 Accounting policies *(continued)*

Turnover

Turnover represents amounts invoiced to third parties net of Value Added Tax and trade discounts and is generated from the principal activity of the Company

Fees are recognised in the month they relate to and are either billed on a monthly basis or an accrual is included until the fee is raised

2 Analysis of turnover

The analysis of turnover by geographical market for the only major business activity of the Company is set out below

	16 September 2013 to 31 December 2014 Turnover £000
By geographical market	
United Kingdom	**47,806**
	47,806

3 Operating profit

	16 September 2013 to 31 December 2014 £000
Operating profit is stated after charging	
Depreciation on tangible fixed assets owned	**23,957**
Auditors' remuneration	**45**

Notes *(continued)*

4 Remuneration of directors

The directors did not receive any emoluments in the period in respect of their services to the Company

5 Staff numbers and costs

The Company had no employees during the period

6 Interest payable and similar charges

	16 September 2013 to 31 December 2014 £000
On loans from group companies	34,622
	34,622

7 Taxation

(a) Analysis of charge in period

	16 September 2013 to 31 December 2014 £000	16 September 2013 to 31 December 2014 £000
UK corporation tax		
Current tax on income for the period	-	
Total current tax		-
Deferred tax		
Accelerated capital allowances	12,228	
Tax losses carried forward and other deductions	(15,734)	
Total deferred tax credit		(3,506)
Tax on (loss)/profit on ordinary activities		(3,506)

Notes *(continued)*

7 Taxation *(continued)*

(b) Factors affecting the tax charge for the current period

The current tax charge for the period is lower than the standard rate of corporation tax in the UK of 21 00% The differences are explained below

	16 September 2013 to 31 December 2014
	£000
Current tax reconciliation	
Loss on ordinary activities before tax	(26,014)
Current tax charge at 21 00%	(5,463)
Effects of	
Expenses not deductible for tax purposes	1,781
Capital allowances in excess of depreciation	(12,840)
Unrelieved tax losses and other deductions arising in the period	16,522
Total current tax charge (see above)	-

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013 This will reduce the company's future current tax charge accordingly

At the balance sheet date the Company recognised a deferred tax asset of £3 506k in relation to accelerated capital allowances and unutilised tax losses and other deductions of £12,228k and £15,734k respectively The Company's financial projections have provided sufficient certainty over the levels and timings of future taxable profits and therefore the directors have decided to recognise this deferred tax asset

Notes *(continued)*

8 Tangible fixed assets

	Plant and machinery	Land and buildings	Total
	2014	2014	2014
	£000	£000	£000
Cost			
At beginning of period	-	-	-
Additions	636,330	4,531	640,861
At end of period	636,330	4,531	640,861
Depreciation			
At beginning of period	-	-	-
Charge for period	23,957	-	23,957
At end of period	23,957	-	23,957
Net book value			
At 31 December 2014	612,373	4,531	616,904
At beginning of period	-	-	-

Notes *(continued)*

9 Fixed asset investments

	Total participating interests 2014 £
Cost	
At beginning of period	-
Additions	75
At end of period	75
Provisions	
At beginning of period	-
Made during the period	-
At end of period	-
Net book value	
At 31 December 2014	75
At 31 December 2013	-

The principal company in which the Company's interest is greater than 20% is stated below

	Country of incorporation	Principal activity	Class and percentage of shares held
Participating interests			
London Array Limited	England and Wales	Energy production	Ordinary shares 25%

Notes *(continued)*

10 Debtors amounts falling due within one year

	31 December 2014 £000
Trade debtors	7,015
VAT	775
Withholding tax	627
Deferred tax	3,506
Prepayments and accrued income	23,580
	35,503

Prepayments and accrued income amounts relate to cost of sales items that have been prepaid and fees that were raised after the balance sheet date

11 Cash at bank and in hand

	31 December 2014 £000
Cash at bank and in hand	1,451
Restricted cash (see note below)	3,795
	5,246

Restricted cash represents cash held by the joint operation that the Company is a 25% participant in These funds can only be used by the operator (London Array Limited) in carrying out the joint operations of the wind farm

Notes *(continued)*

12 Creditors: amounts falling due within one year

	31 December 2014 £000
Trade creditors	22
Amounts owed to group undertakings Caisse de dépôt et placement du Quebec	21,282
Amounts owed to group undertakings Boreas Holdco Limited	140,795
Other creditors	716
Accruals and deferred income	2,328
	165,143

Included within *Amounts owed to group undertakings* are two loans The Caisse de dépôt et placement du Quebec loan is an intercompany loan balance that has arisen in the ordinary course of business The Boreas Holdco non-deductible loan is repayable on demand and accrues interest at a rate of 8 5% per annum

13 Creditors amounts falling due after one year

	31 December 2014 £000
Amounts owed to group undertakings CDP Capital-EuroMezz S a r l Unipersonelle	329,151
Amounts owed to group undertakings Boreas Holdco Limited	184,547
Taxation and social security	-
Other creditors	320
	514,018

Included within *Amounts owed to group undertakings* are two long term loans The CDP Capital-EuroMezz S a r l Unipersonelle senior loan is repayable over the course of a 15 year period and accrues interest at a rate of 3 2% + LIBOR each quarter The Boreas Holdco Limited subordinated loan is repayable over the course of a 15 year period and accrues interest on a compound basis at a rate of 8 5% per annum

Notes *(continued)*

14 Called up share capital

	31 December 2014 £000
Allotted, called up and fully paid	
1,000,001 Ordinary shares of £1 each	1,000
	1,000

During the period the Company issued 1 000,001 Ordinary shares for a consideration of £1 000k settled in cash

15 Profit and loss account

	16 September 2013 to 31 December 2014 £000
At beginning of period	-
Loss for the period	(22,508)
At end of period	**(22,508)**

16 Reconciliation of movements in shareholders' deficit

	Called up share capital £000	Profit and loss account £000	Total shareholders' deficit £000
Opening shareholders' funds	-	-	-
Loss for the financial period	-	(22,508)	(22,508)
New share capital subscribed	1,000	-	1,000
Closing shareholders' deficit	**1,000**	**(22,508)**	**(21,508)**

Notes *(continued)*

17 Related party disclosures

Boreas (Investment) Limited is a wholly owned member of a group headed by the Caisse de depôt et placement du Quebec a legal person established in the public interest within the meaning of the Civil Code, is governed by the Act respecting the Caisse de depôt et placement du Quebec (CQLR, chapter C-2)

Advantage has been taken of the exemption contained in FRS 8 not to disclose transactions or balances with other wholly owned members of the group

There were no other related party transactions requiring disclosure as at 31 December 2014

18 Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party of the Company is the Caisse de depôt et placement du Quebec a legal person established in the public interest within the meaning of the Civil Code is governed by the Act respecting the Caisse de depôt et placement du Quebec (CQLR chapter C-2)

The Company's immediate parent undertaking is Boreas Holdco Limited a company incorporated and registered in the United Kingdom