

NEWPORT WIND DIRECT LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2012



ELLIOTT BUNKER LIMITED
Chartered Accountants & Statutory Auditor
3-8 Redcliffe Parade West
Redcliffe
Bristol
BS1 6SP

NEWPORT WIND DIRECT LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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NEWPORT WIND DIRECT LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the development of a wind farm for electricity generation

DIRECTORS

The directors who served the company during the year were as follows

Mr R De Laszlo

Mr J Thomassen (resigned 28 September 2012)

Mr A Sykes (appointed 28 September 2012)

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 year.

In preparing those 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,
- 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.

In so far as the directors are aware

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

AUDITOR

Elliott Bunker Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

NEWPORT WIND DIRECT LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

Registered office
Lewins Place
Lewins Mead
Bristol
BS1 2NR

Signed by order of the directors



S ELIATAMBY
Company Secretary

Approved by the directors on 15 August 2013

NEWPORT WIND DIRECT LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NEWPORT WIND DIRECT LIMITED****YEAR ENDED 31 DECEMBER 2012**

We have audited the financial statements of Newport Wind Direct Limited for the year ended 31 December 2012. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's shareholder, 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 shareholder 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 shareholder 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 1, 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 (APB'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. 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 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

NEWPORT WIND DIRECT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF NEWPORT WIND DIRECT LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report

3-8 Redcliffe Parade West
Redcliffe
Bristol
BS1 6SP

15 August 2013

PAUL CRIDLAND BSC FCA (Senior
Statutory Auditor)
For and on behalf of
ELLIOTT BUNKER LIMITED
Chartered Accountants
& Statutory Auditor

NEWPORT WIND DIRECT LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER		869,563	1,088,806
Cost of sales		<u>358,842</u>	<u>329,681</u>
GROSS PROFIT		510,721	759,125
Administrative expenses		<u>389,914</u>	396,294
Other operating income		<u>–</u>	<u>(7,500)</u>
OPERATING PROFIT	2	120,807	370,331
Interest receivable		<u>604</u>	970
Interest payable and similar charges		<u>(1,220,097)</u>	<u>(1,126,289)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,098,686)	(754,988)
Tax on loss on ordinary activities	3	<u>–</u>	<u>–</u>
LOSS FOR THE FINANCIAL YEAR		<u>(1,098,686)</u>	<u>(754,988)</u>

NEWPORT WIND DIRECT LIMITED**BALANCE SHEET****31 DECEMBER 2012**

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	4	<u>6,294,089</u>	<u>6,647,985</u>
CURRENT ASSETS			
Debtors	5	682,850	557,192
Cash at bank		<u>166,653</u>	<u>627,857</u>
		849,503	1,185,049
CREDITORS: Amounts falling due within one year	6	<u>149,050</u>	<u>109,903</u>
NET CURRENT ASSETS		<u>700,453</u>	<u>1,075,146</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,994,542</u>	<u>7,723,131</u>
CREDITORS: Amounts falling due after more than one year	7	<u>9,956,820</u>	<u>9,586,723</u>
		<u>(2,962,278)</u>	<u>(1,863,592)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	1,000	1,000
Profit and loss account	11	<u>(2,963,278)</u>	<u>(1,864,592)</u>
DEFICIT	11	<u>(2,962,278)</u>	<u>(1,863,592)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the directors and authorised for issue on 15 August 2013, and are signed on their behalf by



MR R DE LASZLO
Director

Company Registration Number 6348191

NEWPORT WIND DIRECT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Going concern

The company has returned losses in its initial years of trading. However, the accounts have been prepared on the going concern principle as, in the directors' opinion, future projections and cash flows indicate the company is a going concern.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery - 20 years

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting)

	2012 £	2011 £
Directors' remuneration	—	—
Depreciation of owned fixed assets	373,896	372,000
Auditor's fees	3,025	3,025
Net (profit)/loss on foreign currency translation	<u>(1,183)</u>	<u>4,992</u>

3. TAXATION ON ORDINARY ACTIVITIES

There is no tax charge due to losses incurred within the year. Tax losses at 31 December 2012 £6,116,248 (2011 £4,859,764).

NEWPORT WIND DIRECT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

4. TANGIBLE FIXED ASSETS

	Plant & Machinery £
COST	
At 1 January 2012	7,454,485
Additions	20,000
At 31 December 2012	<u><u>7,474,485</u></u>
DEPRECIATION	
At 1 January 2012	806,500
Charge for the year	373,896
At 31 December 2012	<u><u>1,180,396</u></u>
NET BOOK VALUE	
At 31 December 2012	<u><u>6,294,089</u></u>
At 31 December 2011	<u><u>6,647,985</u></u>

Plant and machinery consist of a two turbine wind farm Included in these costs are interest charges incurred during the construction phase of £623,082

5. DEBTORS

	2012 £	2011 £
Trade debtors	80,233	44,879
Called up share capital not paid	1,000	1,000
Prepayments and accrued income	601,617	511,313
	<u><u>682,850</u></u>	<u><u>557,192</u></u>

6. CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	99,820	24,901
VAT	—	30,546
Accruals and deferred income	49,230	54,456
	<u><u>149,050</u></u>	<u><u>109,903</u></u>

NEWPORT WIND DIRECT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

7. CREDITORS: Amounts falling due after more than one year

	2012 £	2011 £
Amounts owed to group undertakings	<u>9,956,820</u>	<u>9,586,723</u>

The amounts due to group undertakings bears interest of 12.5% per year compounded on a daily basis. Of this balance £9,956,265 is repayable during 2024.

8. CONTINGENCIES

The company has entered into lease agreements with land owners expiring in 2030 such that the rent payable is contingent on certain conditions relating to the gross income received by the company. The detailed conditions are not disclosed for commercial reasons.

9. RELATED PARTY TRANSACTIONS

Mr R De Laszlo, Mr J Thomassen and Mr A Sykes, directors of the company in the year, are also directors of the parent undertaking RD Hold Co 1 Limited (RDHCL). RDHCL has provided finance to the company totalling £723,719 on which interest of £76,460 (2011 - £85,025) has been charged at 12.5% to the profit and loss account. At 31 December 2012 the amount owed by the company was £800,229 (2011 - £723,719) which amount is included in creditors in these accounts.

RD Lux Hold Co 1 Sarl is the parent company of RDHCL. RD Lux Hold Co 1 Sarl has provided finance to the company totalling £8,863,005 (2011 - £7,821,741) on which interest of £1,143,637 (2011 - £1,041,264) has been charged at 12.5%. At 31 December 2012 the amount owed by the company was £9,156,641 (2011 - £8,863,005) which amount is included in creditors in these accounts.

In the directors' opinion all these transactions are at normal trading terms and made on an arms length basis.

10. SHARE CAPITAL

Authorised share capital:

	2012 £	2011 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted and called up:

	2012 No	£	2011 No	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The amounts of paid up share capital for the following categories of shares differed from the called up share capital stated above due to unpaid calls and were as follows:

	2012 £	2011 £
Ordinary shares	<u>1,000</u>	<u>1,000</u>

NEWPORT WIND DIRECT LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2012

10. SHARE CAPITAL *(continued)*

The ordinary shares carry full voting rights at general meetings of the company. Dividends will fluctuate depending on results.

11. RECONCILIATION OF SHAREHOLDER'S FUNDS AND MOVEMENT ON RESERVES

	Share capital	Profit and loss account	Total share-holder's funds
	£	£	£
Balance brought forward	1,000	(1,864,592)	(1,863,592)
Loss for the year	—	(1,098,686)	(1,098,686)
Balance carried forward	<u>1,000</u>	<u>(2,963,278)</u>	<u>(2,962,278)</u>

12. ULTIMATE PARENT COMPANY

The immediate controlling undertaking is RD Hold Co 1 Limited, a company incorporated in England and Wales. In the directors' opinion, the ultimate controlling party is RD Lux Hold Co 1 Sarl, a company registered in Luxembourg.

13. GOING CONCERN

The directors believe that the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. In the event that additional funds were needed to support the company, subject to the project being commercial on a long term basis, the directors would seek to procure and are confident that they would be able to secure any necessary funding from the parent companies. They have considered a period of twelve months from the date of approval of the financial statements considering all reasonable fluctuations in the forecast assumptions and currently forecast that the company is commercial on a long term basis.

The directors believe that no further disclosures relating to the company's ability to continue as a going concern need to be made in the financial statements.