Company Registration No. 07472425

REG Denzell Downs Limited

Annual Report and Financial Statements

30 June 2011

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REG Denzell Downs Limited

Annual report and financial statements 2011

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REG Denzell Downs Limited

Officers and professional advisers

Directors

A Whalley
N Harris
D Crockford

Secretary

D Crockford

Bankers

Co-Op
Balloon Street
Manchester
M60 4EP

Registered Office

2 Station View
Guildford
Surrey
GU1 4JY

Independent auditor

Deloitte LLP
Chartered Accountants
Global House
High Street
Crawley
RH10 1DL

REG Denzell Downs Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the period ended 30 June 2011

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

Further information on the basis of preparation of these financial statements can be found in note 1

Principal activity

Following the purchase of development assets, the principal activity of the company in the year under review was that of the development of the potential 10 0MW wind farm at Denzell Downs, Cornwall Prior to this acquisition the company was dormant

Results and dividends

There were no trading activities in the period

The directors do not recommend the payment of a dividend

Directors

The directors who served throughout the period, except as noted, were as follows

A Whalley
N Harris
D Crockford

Independent auditor and statement of provision of information to the independent auditor

Deloitte LLP have expressed their willingness to continue in office as auditor of the company and a resolution to reappoint them will be proposed as the forthcoming Annual General Meeting

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

(1) so far as the director is aware, there is no relevant audit information of which the company's auditor are unaware, and

(2) the director has taken all the steps that he/she 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 are aware of that information

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

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

D Crockford
Director

9 December 2011

REG Denzell Downs Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, 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 REG Denzell Downs Limited

We have audited the financial statements of REG Denzell Downs Limited for the period ended 30 June 2011 which comprise the Balance Sheet and the related notes 1 to 9 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, 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 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 30 June 2011 and of its result 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 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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Director's report

Darren Longley FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

9 December 2011

REG Denzell Downs Limited

Balance sheet
As at 30 June 2011

	Notes	2011 £
Fixed assets		
Intangible assets	3	124,277
Current assets		
Debtors	4	1
Total assets less current liabilities		124,278
Creditors: amounts falling due after more than one year	5	(124,277)
Net assets		1
Capital and reserves		
Called up share capital	6	1
Profit and loss account	7	-
Shareholder's funds	7	1

The financial statements of REG Denzell Downs Limited, registered number 07472425 were approved by the board of directors and authorised for issue on 9 December 2011



D Crockford
Director

REG Denzell Downs Limited

Notes to the accounts
For the period ended 30 June 2011

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards The particular accounting policies adopted are described below and have been applied consistently throughout the current financial year

Accounting convention

The financial statements are prepared under the historical cost convention

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group

Basis of preparation

The accounts have been prepared on the basis the company is a going concern, which the Directors' consider appropriate for the following reasons

The directors have separately reviewed integrated forecasts for the Company, for a period in excess of 12 months from the date that these financial statements were approved, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due for the foreseeable future from cash flows from operations and existing working capital

The company has received confirmation that the Group, which has substantial free cash resources, will continue to support the activities and allow the company to meet its liabilities as they fall due

As the company did not trade in the period no profit and loss and account has been included in these financial statements

Intangible fixed assets

Intangible assets acquired separately from a business are capitalised at cost Intangible assets are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable

Development costs
Costs capitalised as development wind intangibles represent the costs incurred in bringing individual wind farm projects to the consented stage Costs associated with reaching the consent stage include options over land rights, planning application costs and environment impact studies These may be costs incurred directly or acquisition of a controlling interest in a project

The point of capitalization occurs following a site review by the Board, ensuring the key planning, construction and financing risks have been mitigated to a level where the Board considers it probable that the site will deliver future economic benefits in the future This includes demonstration of technical feasibility, intention to complete, availability of resources, how the asset will generate future economic benefits and the ability to reliably measure expenditure

Development wind assets are not amortised until the asset is substantially complete and ready for its intended use The asset is subjected to impairment testing on an annual basis until this time At the point the project reaches consented stage and is approved by the Board, the carrying value is transferred to Property, Plant & Equipment as assets under construction Amortisation is over the expected useful life of the related operating asset The asset is derecognised on disposal, or when no future economic benefits are expected from their use The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year

Notes to the accounts
For the period ended 30 June 2011

1. Accounting policies (cont.)

Taxation

Current tax, including UK corporation and foreign 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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

2. Information regarding directors and employees

The company has no employees

3. Intangible fixed assets

	Development expenditure £
Cost	
At 17 December 2010	-
Additions	124,277
At 30 June 2011	124,277
Depreciation	
At 17 December 2010 and 30 June 2011	-
Net book value	
At 30 June 2011	124,277
At 17 December 2010	-

Development expenditure includes the acquired cost of £124,277 for the 10 0MW Denzell Downs wind farm in Cornwall These assets were acquired prior to planning consent from REG Windpower Limited, a group company at book value

Notes to the accounts
For the period ended 30 June 2011

4. Debtors

	2011 £
Amounts owed by group undertakings	1

5. Creditors· amounts falling due after more than one year

	2011 £
Amounts owed to group companies	124,277

6. Share capital

	2011 £
Allotted, called up and fully paid	
1 Ordinary share of £1 each	1
	1

7. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total £
At 17 December 2010	1	-	1
Result for the period	-	-	-
At 30 June 2011	1	-	1

8. Related party disclosures

The company has taken advantage of the exemption under Financial Reporting Standard 8 from providing details of related party transactions with group related parties

9. Ultimate parent undertaking

The ultimate parent undertaking and controlling party is Renewable Energy Generation Limited, a company incorporated in Jersey The Registered Office of the ultimate parent undertaking is Elizabeth House, 9 Castle Street, St Helier, Jersey, JE4 2QP

The immediate parent company is REG Holdings Limited A company registered in England & Wales The financial statements are available from the registered office given on page 1