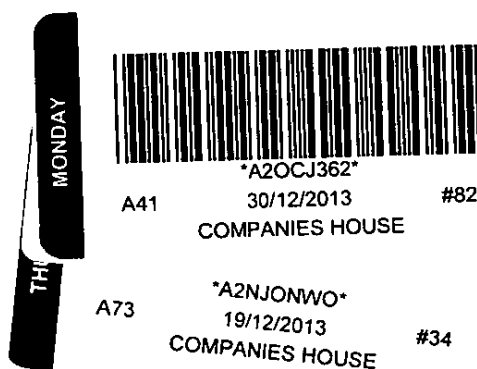


Beinn Mhor Power Limited

Annual report and financial statements for the eighteen months ended

31 December 2012

Registered number: SC242525



Beinn Mhor Power Limited
Registered number: SC242525
Directors' report
For the eighteen months ended 31 December 2012

The directors present their report on the affairs of the Company, together with the financial statements and auditor's report, for the eighteen months ended 31 December 2012.

The directors' report has been prepared in accordance with the provisions available to companies entitled to the small companies exemption.

Principal activity, business review and future developments

The principal activity of the Company is the development of a wind farm and thereafter the management and operating activities associated with the generation of electricity at the wind farm.

The Company was incorporated in Scotland in May 2010. The directors intend for the Company to continue to develop the wind farm at Eishken Estate on the Isle of Lewis. It is expected that commercial activities will commence in 2018. The Company entered into a lease with the landowner effective 16th January 2011.

The Company had 1 employee who left the company in January 2012.

Principal risk and uncertainties

The company's principle activity is such that it is exposed to significant financial risks surrounding the building of a wind farm, these risks including regulatory risk and construction risk such as unforeseen delays and overspends and subcontractor risk.

Going concern

The Company has incurred a loss in the period and has net current liabilities. It is in the process of developing a wind farm and its continued trading therefore depends fully on the continuing support of its parent. . The directors have concluded, having regard to a letter of support received from International Power Consolidated Holdings Limited, the immediate parent company, that the going concern basis is appropriate.

The company is not expected to become profit making until commercial operations commence in 2018.

Results and dividends

The loss for the period was £1,390,474 (year ended 30th June 2011: £593,919).

No dividend was paid or is proposed in respect of the eighteen months ended 31st December 2012 (year ended 30th June 2011: £nil).

The profit and loss and balance sheet for the year ending 30 June 2011 has been restated as detailed in note 12.

Subsequent events

There have been no significant events since the balance sheet date which should be considered for a proper understanding of the financial statements.

Beinn Mhor Power Limited
Registered number: SC242525
Directors' report- (continued)
For the eighteen months ended 31 December 2012

Anne Patricia

Directors

The directors who held office during the eighteen months to 31st December 2012 were as follows:

JN Oppenheim	(resigned on 23rd March 2012)
PA Smith	(resigned on 23rd March 2012)
NM Oppenheim	(resigned on 23rd March 2012)
BS Oppenheim	(resigned on 23rd March 2012)
SA Oppenheim	(resigned on 23rd March 2012)
GMA Trinick	(resigned on 23rd March 2012)
Nicholas Kay	(appointed on 23rd March 2012)
Nicholas Kay	(resigned on 27th July 2012)
Simon Pinnell	(appointed on 23rd March 2012)
Paul Evans	(appointed on 23rd March 2012)
Michael Baker	(appointed on 23rd March 2012)
Simon Westaway	(appointed on 27th July 2012)
Simon Westaway	(resigned on 17th October 2013)
Clive Warden	(appointed on 17th October 2013)

Company secretary

Hillary Berger	(appointed on 23rd March 2012)
Roger Simpson	(appointed on 23rd March 2012)

Statement regarding the disclosure of information to auditor

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

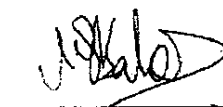
- so far as the Director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the company's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

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

Auditor

Deloitte LLP were appointed as auditor in the period ended 31 December 2012. Pursuant to section 487 of the Companies Act 2006 the auditor will be deemed to be reappointed and Deloitte will therefore continue in office.

By order of the Board


MICHAEL BAKER
Director

Date: 2 December 2013

Registered Office: 13 Queen's Road, Aberdeen AB15 4YL

Beinn Mhor Power Limited
Registered number: SC242525
Statement of Directors' responsibilities
For the eighteen months ended 31 December 2012

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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 General 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 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.

Beinn Mhor Power Limited
Registered number: SC242525

Independent auditor's report to the members of Beinn Mhor Power Limited

We have audited the financial statements of Beinn Mhor Power Limited for the eighteen months ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 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 (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 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.

Beinn Mhor Power Limited
Registered number: SC242525

Independent auditor's report to the members of Beinn Mhor Power 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.
- 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.

Other matter

As the company was exempt from audit under section 477 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.



Robert Knight FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Gatwick
19 December 2013

Beinn Mhor Power Limited
Registered number: SC242525
Profit and loss account
For the eighteen months ended 31 December 2012

	Notes	Eighteen month period ended 31 December 2012 £	Restated Year ended 30 June 2011 £
Administration expenses		(1,807,119)	(535,698)
Operating loss		(1,807,119)	(535,698)
Interest payable and similar charges	11	(34,568)	(58,221)
Loss on ordinary activities before taxation	2	(1,841,687)	(593,919)
Tax on loss on ordinary activities	4	451,213	-
Loss on ordinary activities after taxation	8	(1,390,474)	(593,919)
 Loss for the financial year		 (1,390,474)	 (593,919)

There are no recognised gains and losses for the current period and preceding financial year other than the loss of £1,390,474 (restated year ended 30 June 2011: loss of £593,919) shown above. Accordingly no statement of recognised gains and losses is presented. The results for year ended 30 June 2011 have been restated, resulting in an increase in the loss for the financial year of £240,141, as detailed in note 12.

The loss for the period was solely derived from continuing activities at the balance sheet date.

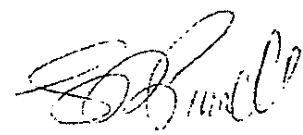
The accounting policies and the notes on pages 8 to 13 form part of these financial statements.

Beinn Mhor Power Limited
Registered number: SC242525
Balance sheet
As at 31 December 2012

	Notes	As at 31 December 2012 £	Restated year ended 30 June 2011 £
Fixed Assets			
Fixed assets – in construction	1	<u>3,333,338</u>	<u>411,925</u>
Current assets			
Debtors	5	806,931	6,412
Cash at bank		<u>326,664</u>	<u>-</u>
Net current assets		<u>1,133,595</u>	<u>6,412</u>
Current liabilities			
Creditors: Amounts falling due within one year	6	<u>(5,025,999)</u>	<u>(3,900,042)</u>
Total assets less current liabilities		<u>(559,066)</u>	<u>(3,481,705)</u>
Capital and reserves			
Called-up equity share capital	7,8	144	105
Share premium account		3,904,956	4,995
Profit and loss account	8	<u>(4,464,166)</u>	<u>(3,486,807)</u>
Equity shareholder's deficit		<u>(559,066)</u>	<u>(3,481,707)</u>

The accounting policies and the notes on pages 8 to 13 form part of these financial statements.

The financial statements on pages 6 to 13 were approved by the Board of Directors on 2 December 2013 and were signed on its behalf by:



S Pinnell
Director

Beinn Mhor Power Limited
Registered number: SC242525
Notes to financial statements
For the eighteen months ended 31 December 2012

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.

A summary of the principal accounting policies, all of which have been applied consistently throughout the period and the prior year (except as disclosed in Note 12) are set out below.

a) *Basis of accounting*

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with United Kingdom law and applicable accounting standards. The Company has adopted all applicable accounting statements effective prior to 31 December 2012, but has not elected for the early adoption of other published but not effective, reporting standards.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the Directors' Report. The Directors report also considers the principal risks and uncertainties facing the Company and its policies and processes for managing these. The Directors have prepared a cash flow forecast which, taking into account all reasonably possible changes in trading performance, shows that the Company should be able to meet its liabilities as they fall due. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

b) *Taxation*

UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. No charge is made for group relief.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 at the weighted average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Beinn Mhor Power Limited
Registered number: SC242525
Notes to financial statements – (continued)
For the eighteen months ended 31 December 2012

Accounting policies (continued)

c) Related party disclosures

As at 31 December 2012 the Company was indirectly wholly owned by International Power plc, the ultimate holding company incorporated in the United Kingdom. The parent is GDF Suez S.A. which is incorporated in France. The Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group.

d) Fixed assets and depreciation

These represent the costs incurred in the development of the wind farm site. No depreciation is provided on assets in the course of construction. Depreciation will be provided on property, plant and equipment in equal annual instalments over their estimated useful lives. The rates of depreciation are as follows:

Wind Turbines– 20 years Grid Connection – 20 years Plant and Equipment- 5 years

There were no disposals of fixed assets in the year (2011:nil).

e) Cash flow statement

The Company has taken advantage of its entitlement under FRS 1 (Revised) "Cash Flow Statements" not to prepare a cash flow statement as it is a wholly owned subsidiary of a parent company which publishes group accounts which include the Company and are publicly available.

f) Operating leases

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged to income in equal annual amounts over the lease term.

g) Finance cost capitalisation

Beinn Mhor Power Limited is charged monthly interest and commitment fees for the loan and facility provided by International Power Consolidated Holdings Ltd , these costs are included in the fixed assets in construction.

2 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	Eighteen month period ended 31 December 2012	Year ended 30 June 2011
	£	£
Auditor's remuneration:		
- Fees payable in respect of the audit	3,000	-
- Fees payable in respect of tax advice	15,810	-

3 Staff costs

There was one employee of Beinn Mhor Power Limited during the period (year ended 30 June 2011 – 0).

Remuneration was paid by Beinn Mhor Power Limited to 3 directors during the period in respect of services to the Company and loss of office, the highest paid director received £250,000 (year ended 30 June 2011 – £nil).

Beinn Mhor Power Limited
Registered number: SC242525
Notes to financial statements – (continued)
For the eighteen months ended 31 December 2012

4 Tax on loss on ordinary activities

(a) The taxation charge is based on the result for the period and comprises:

	Eighteen month period ended 31 December 2012	Year ended 30 June 2011
	£	£
UK corporation tax on loss in the period at 24.5%	451,213	-
Tax charge in income statement	<u>451,213</u>	<u>-</u>

(b) Reconciliation of tax charge

	Eighteen month period ended 31 December 2012	Year ended 30 June 2011
	£	£
Loss before tax	(1,841,687)	(593,919)
Loss multiplied by standard rate of corporation tax of 24.5%	451,213	-
Tax charge	<u>451,213</u>	<u>-</u>

The company operates in the UK and therefore uses the UK standard rate for corporation tax of 24.5%

5 Debtors

	As at 31 December 2012	As at 30 June 2011
	£	£
Other debtors	232,124	6,412
Amounts owed by group undertakings	41,940	-
Deferred tax asset	451,213	-
Prepayments	81,654	-
	<u>806,931</u>	<u>6,412</u>

Deferred tax asset of £451,213 (as at 30 June 2011: £nil) being the tax asset on taxable losses in the period, will be recovered by transferring the loss through group relief.

6 Creditors: Amounts falling due within one year

	As at 31 December 2012	Restated as at 30 June 2011
	£	£
Loan account	-	(2,212,861)
Director loan account including accrued interest	-	(841,676)
Group loan	(3,810,214)	-
Accrued expenses and other payables	(1,215,785)	(674,407)
Bank overdraft	-	(171,098)
	<u>(5,025,999)</u>	<u>(3,900,042)</u>

Beinn Mhor Power Limited
Registered number: SC242525
Notes to financial statements – (continued)
For the eighteen months ended 31 December 2012

7 Called-up equity share capital

	As at 31 December 2012 £	As at 30 June 2011 £
Authorised		
Ordinary 'A' shares of £1 each	110	110
'B' preference shares of £0.00001 each	<u>39</u>	<u>-</u>
Allotted, called up and fully paid		
105 ordinary 'A' shares of £1 each	105	105
3,900,000, 'B' preference shares of £0.00001 each	<u>39</u>	<u>-</u>
	<u>144</u>	<u>105</u>

On 11 July 2011 the authorised share capital of the Company was increased to £149 by the creation of 3,900,000 'B' preference shares of £0.00001 each. The ordinary shares of £1 each (both issued and unissued) were reclassified as A ordinary shares of £1 each.

8 Reconciliation of movements in shareholder's funds and reserves

	Share premium £	Share capital £	Restated capital and reserves £
At 30 June 2011	4,995	105	(3,486,807)
Loss for the period	-	-	(1,390,474)
Capital contribution	-	-	413,115
At 31 December 2012	<u>3,904,956</u>	<u>144</u>	<u>(4,464,166)</u>

9 Ultimate parent company

At 31 December 2012, the Company was 100% owned by International Power Consolidated Holdings Limited. International Power Consolidated Holdings Limited was controlled by International Power Plc. whose principal place of business is at Senator House, 85 Queen Victoria Street, London EC4V 4DP.

The Directors consider the Company's ultimate parent undertaking and controlling party to be GDF SUEZ S.A. which was incorporated in France and is headquartered in Paris, France, which is the parent undertaking of the largest group in which the results of the Company are consolidated for the eleven months ended 31 December 2012 and the year ended 31 January 2011. The consolidated financial statements of GDF SUEZ S.A. may be obtained from its registered office at 1 Place Samuel de Champlain, 92400 Courbevoie, Paris, France.

Beinn Mhor Power Limited
Registered number: SC242525
Notes to financial statements – (continued)
For the eighteen months ended 31 December 2012

10 Financial commitments – lease payments due

Beinn Mhor Power Limited pays a lease to Eishken Nominees for access to and use of the farmland where the wind farm is being constructed. The obligation to pay rent will exist until lease expiry – the natural date of expiry under the lease being 27 years from the date on which electricity is first generated. The charge is subject to annual indexation.

	As at 31 December 2012 £	As at 30 June 2011 £
Not later than one year	531,420	-
After one year but not more than five	2,657,100	-
More than five years	13,816,922	-
	<u>17,005,442</u>	<u>-</u>

11 Analysis of total finance costs

While the wind farm is in construction the interest costs and commitment fee in connection with the loan provided by International Power are included in the balance sheet fixed assets in construction. Finance costs capitalised to date amount to £104,575.

	Eighteen month period ending 31 December 2012 £	Restated year ended 30 June 2011 £
Loan interest and commitment fee capitalised	89,753	-
Interest in profit and loss account in respect of bank loans and overdrafts	34,568	58,221
	<u>124,321</u>	<u>58,221</u>

Beinn Mhor Power Limited
Registered number: SC242525
Notes to financial statements – (continued)
For the eighteen months ended 31 December 2012

12 Prior year adjustment

The financial statements for the year ended 30 June 2011 prepared by the prior owners charged all costs in relation to the construction of the wind farm to the profit and loss account. In accordance with FRS 15 "Tangible Fixed Assets" and the accounting policies of the Group, all costs directly due to the construction of the wind farm have now been recorded in the balance sheet fixed asset account with corrections to the prior year comparatives. Group accounting policies also require the capitalisation of borrowing costs during the construction of the wind farm. The Company has also made a restatement to the comparatives in relation to certain costs which were under accrued in the prior year.

The aggregate impact of the matters above is shown below:

Profit and loss account

	Year ended 30 June 2011 As reported	Effect of restatement	Year ended 30 June 2011 As restated
	£	£	£
Administration expenses	(398,497)	(137,201)	(535,698)
Interest payable	(109,716)	51,495	(58,221)
Decrease in profit for the financial year	<u>(508,213)</u>	<u>(85,706)</u>	<u>(593,919)</u>

Balance sheet

	As at 30 June 2011 As reported	Effect of restatement	As at June 2011 As restated
	£	£	£
Fixed assets	-	411,925	411,925
Creditors -accruals	<u>(288,505)</u>	<u>(385,904)</u>	<u>(674,409)</u>
Increase in net assets	<u>(288,505)</u>	<u>26,021</u>	<u>(262,484)</u>

13 Contingent liabilities

As a result of the purchase by International Power Consolidated Holdings Limited, Beinn Mhor Power Limited has a possible liability to pay fees based on whether the final consideration reaches a certain threshold of £25.3 million, if this threshold is reached, Beinn Mhor Power Limited would be liable for an amount equal to 2.6% of the amount of the consideration in excess of the threshold. However, the consideration is currently estimated to be £22.4 million which is less than the threshold and so it has not been recognised.