

AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED

DIRECTORS REPORT AND

UNAUDITED FINANCIAL STATEMENTS

FOR THE 15 MONTH AND 14 DAY

PERIOD ENDED 31 DECEMBER 2012

REGISTERED NO: SC407608

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AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED

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FOR THE 15 MONTH AND 14 DAY PERIOD ENDED 31 DECEMBER 2012**

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AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED

**COMPANY INFORMATION
FOR THE 15 MONTH AND 14 DAY PERIOD ENDED 31 DECEMBER 2012**

DIRECTORS: Richard Mardon
Richard Henry Charles Nourse

SECRETARY: Michael O'Brien

REGISTERED OFFICE: 50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

REGISTERED NUMBER: SC407608 (Scotland)

ACCOUNTANTS: Civvals Limited
50 Seymour Street
London
W1H 7JG

AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED

**DIRECTORS' REPORT
FOR THE 15 MONTH AND 14 DAY PERIOD ENDED 31 DECEMBER 2012**

DIRECTORS' REPORT

The directors (the "Directors") present their first Directors' report and unaudited financial statements for Airvolution Energy (Mossmorran) Limited (the "Company") for the 15 month and 14 day period ended 31 December 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of development, construction and future operation of the two turbine 4.0MW Mossmorran Wind Farm in Fife, Scotland. The Company was incorporated on 16 September 2011. The Company's first accounting reference period ending 30 September 2012 was extended so as to end on 31 December 2012.

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, liquidity and interest rate risk. The group of companies of which the Group forms part of has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs. The Company is not exposed to significant market, economic, credit or liquidity risks.

RESULTS AND DIVIDENDS

The operating loss for the financial period amounted to £38,692. The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors who have held office during the period from 16 September 2011 to the date of this report are as follows:

Richard Mardon	(appointed 16 September 2011)
Richard Henry Charles Nourse	(appointed 16 September 2011)
Walter James Clark	(appointed 16 September 2011; resigned 16 September 2011)
Burness (Directors) Limited	(appointed 16 September 2011; resigned 16 September 2011)

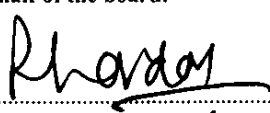
Both the directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

GOING CONCERN

The Company is dependent on the financial support of its parent, Airvolution Energy Limited. The parent has confirmed its intention to provide continued financial support for the foreseeable future. The Company consequently anticipates that it will have sufficient cash to meet its anticipated cash requirements for at least the next twelve months from the date of the approval of these financial statements. On that basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the financial support by the parent.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:


Richard Mardon
Director

14/5/13

Palladium House, 6th Floor, 1-4 Argyll Street
London, W1F 7TA

AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE 15 MONTH AND 14 DAY PERIOD ENDED 31 DECEMBER 2012**

	Notes	£
TURNOVER		-
Administrative expenses		<u>(38,692)</u>
OPERATING LOSS and LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(38,692)
Tax on loss on ordinary activities	2	<u>-</u>
LOSS FOR THE FINANCIAL PERIOD		<u>(38,692)</u>

The Company has no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented.

All results are from continuing operations.

The notes on pages 5 to 6 form part of these financial statements

AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2012**

	Notes	£
FIXED ASSETS		
Tangible assets	3	1,000,000
CURRENT ASSETS		
Debtors	4	1
CREDITORS		
Amounts falling due within one year	5	<u>(1,038,692)</u>
NET CURRENT LIABILITIES		<u>(1,038,691)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>(38,691)</u></u>
CAPITAL AND RESERVES		
Called up share capital	6	1
Profit and loss account	7	<u>(38,692)</u>
SHAREHOLDERS' FUNDS		<u><u>(38,691)</u></u>

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2012.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2012 in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board of Directors on 14/05/2013 and were signed on its behalf by:



Richard Mardon - Director

The notes on pages 5 to 6 form part of these financial statements

AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 15 MONTH AND 14 DAY PERIOD ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

Going concern

The Company is dependent on the financial support of its parent, Airvolution Energy Limited. The parent has confirmed its intention to provide continued financial support for the foreseeable future. The Company consequently anticipates that it will have sufficient cash to meet its anticipated cash requirements for at least the next twelve months from the date of the approval of these financial statements. On that basis, the Directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the financial support by the parent.

Accounting convention

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).

Tangible fixed assets

Freehold land is not depreciated and depreciation on assets commences when the assets are ready for their intended use.

Deferred tax

The charge for taxation is based on the profit/(loss) for the year 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.

2. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period.

3. FIXED ASSETS

	Land £
COST	
Additions	<u>1,000,000</u>
At 31 December 2012	<u>1,000,000</u>
NET BOOK VALUE	
At 31 December 2012	<u>1,000,000</u>

The Company has an option agreement to enter into a 27 year lease of land which expires on 16 March 2014.

AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 15 MONTH AND 14 DAY PERIOD ENDED 31 DECEMBER 2012**

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Other debtors	<u>1</u>

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Amounts owed to group undertakings	<u>1,038,692</u>
	<u>1,038,692</u>

6. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
1	Ordinary	£1	<u>1</u>

1 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

7. RESERVES

	Profit and loss account £
Deficit for the period	<u>(38,692)</u>
At 31 December 2012	<u>(38,692)</u>

8. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is Airvolution Energy Limited, a company registered in England and Wales, which is a subsidiary of ESB Novusmodus Limited Partnership, a Limited Partnership registered in Ireland. ESB Novusmodus Limited Partnership is ultimately controlled by Electricity Supply Board, a company registered in Ireland, who is the ultimate parent.

**CHARTERED ACCOUNTANTS REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
AIRVOLUTION ENERGY (MOSSMORRAN) LIMITED**

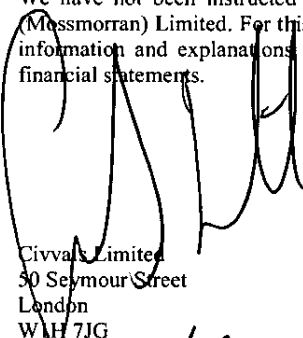
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Airvolution Energy (Mossmorran) Limited for the period ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at icaew.com/membershandbook.

This report is made solely to the Board of Directors of Airvolution Energy (Mossmorran) Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Airvolution Energy (Mossmorran) Limited and state those matters that we have agreed to state to the Board of Directors of Airvolution Energy (Mossmorran) Limited, as a body, in this report in accordance with AAF 2/10 as detailed at icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Airvolution Energy (Mossmorran) Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Airvolution Energy (Mossmorran) Limited. You consider that Airvolution Energy (Mossmorran) Limited is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the financial statements of Airvolution Energy (Mossmorran) Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.



Civa Limited
50 Seymour Street
London
W1H 7JG

Date: 14/5/13