

Wind Prospect Developments Limited

**Directors' report and financial
statements**

Registered number 04113951

31 December 2010



Contents

Company information	1
Directors' report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditor report to the members of Wind Prospect Developments Limited	5
Profit and loss account	7
Balance sheet	8
Notes	9

Company information

Directors

BK Larsen
EP Cameron
R Barker
CE Egal

Secretary

RR Henderson

Registered office

40 Grosvenor Place
Victoria
London
SW1X 7EN

Auditor

KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Business address

Unit 6, Hurstwood Grange
Hurstwood Lane
Haywards Heath
West Sussex
RH17 7QX

Bankers

HSBC Plc
1 Main Street
Cockermouth
Cumbria
CA13 9LB

Solicitors

Burges Salmon
Narrow Quay House
Narrow Quay
Bristol
BS1 4AH

Directors' report

The directors present their annual report and audited financial statements for the year ended 31 December 2010

Principal activities

The principal activity of the Company is the development of applicable projects in the form of wind energy sites and subsequent disposal of all or part of such applicable projects for further development

Business review

The Company has continued to develop its portfolio of wind farm projects during the year, with these costs recharged out to shareholding parties as specified by the Development Services Agreement signed with EDF Energy Renewables Ltd on 23 December 2008

On 29th January 2010, a Letter of Understanding and Development Services Agreement was signed giving EDF ER rights to 100%, rather than the original 70%, of the company's wind farm projects. This has no effect on the company, as simply the split of recharging between shareholders has altered

The directors consider that the renewables markets in the UK will continue to be strong and continue to have political support such that it is likely to benefit the future trading of the business

The directors have considered the financial position of the company and have concluded that the company will continue to meet its liabilities as they fall due for the foreseeable future and hence the accounts are prepared on a going concern basis

Results and dividends

The results for the year are set out on page 7.

The directors do not recommend the payment of a dividend (2009 £Nil)

The directors

The directors who held office during the year and up to the date of signing these financial statements were as follows

R Barker
BK Larsen
EP Cameron
CE Egal

Disclosure of information to auditor

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 auditor are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information

Directors' report *(continued)*

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

By order of the board

A handwritten signature in black ink, appearing to read 'RR Henderson', with a long, sweeping horizontal stroke extending to the right.

RR Henderson
Secretary

40 Grosvenor Place
Victoria
London
SW1X 7EN

19th September 2011

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 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 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.

Independent Auditor's report to the members of Wind Prospect Developments Limited

We have audited the financial statements of Wind Prospect Developments Ltd for the year ended 31 December 2010 set out on pages 7 to 15. 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 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 2010 and of its result for the year then ended,
- have been properly prepared in accordance with UK 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.

Independent Auditor's Report to the Members of Wind Prospect Developments 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

RM Yasue

RM Yasue (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

25 SEPTEMBER 2011

Profit and loss account
for the year ended 31 December 2010

	<i>Note</i>	2010 £	2009 £
Turnover	<i>1</i>	4,425,024	2,932,684
Cost of sales		(4,302,933)	(2,667,179)
Gross profit		122,091	265,505
Administrative expenses		(72,121)	(136,920)
Operating profit		49,970	128,585
Interest receivable and similar income	<i>4</i>	-	4,713
Interest payable and similar charges	<i>5</i>	(49,970)	(133,298)
Profit on ordinary activities before taxation	<i>2-3</i>	-	-
Tax on profit on ordinary activities	<i>6</i>	(20,200)	269,289
Profit for the financial year	<i>13</i>	(20,200)	269,289

All amounts relate to continuing operations

There are no recognised gains or losses other than the results for either year, set out above

Balance sheet
as at 31 December 2010

	Note	2010	2009
		£	£
Fixed assets			
Investments	7	50	50
			50
Current assets			
Stock	8	295,711	390,820
Debtors due within one year	9	2,652,831	1,077,574
Debtors due after more than one year	9	-	20,200
Cash at bank and in hand		206,387	14,340
		3,154,929	1,502,934
Creditors amounts falling due within one year	10	(3,126,526)	(1,454,331)
Net current assets		28,403	48,603
		28,453	48,653
Net assets		28,453	48,653
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account	13	28,353	48,553
Shareholders' funds	14	28,453	48,653

These financial statements of Wind Prospect Developments Limited, registered company 04113951, were approved by the board of directors on 19 SEPTEMBER 2011 and were signed on its behalf by



BK Larsen
Director

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

Basis of preparation

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

The directors have considered the financial position of the company and have concluded that the company will continue to meet its liabilities as they fall due for the foreseeable future and hence the accounts are prepared on a going concern basis

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value

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 rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Stocks and work in progress

Work in progress is stated at the lower of cost and net realisable value

The Company has a rigorous project appraisal programme with key milestone events. Once a programme has received 'Gold Status', costs which are directly attributable to the development of windfarm sites are treated as work in progress and not written off to the profit and loss account. Gold status is defined as having a greater than 50% chance of success, and occurs after numerous feasibility studies have been carried out

Taxation

The charge for taxation is based on the profit 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

Turnover

Turnover represents the recharge of all costs (including overheads) incurred during the development of windfarm sites to associated companies

Notes (continued)

2 Profit/(loss) on ordinary activities before taxation

	2010 £	2009 £
<i>Profit/(loss) on ordinary activities is stated after charging the following.</i>		
Auditors' remuneration - audit of these financial statements	4,500	5,000

3 Staff numbers and costs

There were no employees during the year apart from the directors. None of the directors received any remuneration from the company (2009 £Nil)

4 Interest receivable and similar income

	2010 £	2009 £
Bank interest	-	4,713

5 Interest payable and similar charges

	2010 £	2009 £
Bank interest	707	416
Interest payable to associate company	32,312	33,842
Interest payable to group undertakings	16,951	99,040
	<u>49,970</u>	<u>133,298</u>

Notes (continued)

6 Tax on profit on ordinary activities

<i>Analysis of (credit)/charge in year</i>	2010 £	2009 £
<i>UK corporation tax</i>		
Total current tax charge	-	-
Adjustment in respect of prior year	-	(249,089)
<i>Deferred tax</i>		
Timing differences, origination and reversal (note 11)	20,200	(20,200)
Tax (credit)/charge on profit on ordinary activities	<u>20,200</u>	<u>(269,289)</u>

Factors affecting charge for the year

The tax assessed for the year is equal (2009 lower) than the standard rate of corporation tax in the UK 28% (2009 28%) This is shown below

	2010 £	2009 £
Profit on ordinary activities before taxation	-	-
Current tax @ 28% (2009 28%)	-	-
<i>Effects of</i>		
Prior year adjustment	-	(249,089)
Capital allowances for period in excess of depreciation	-	-
Expenses not deductible	-	-
Tax losses (utilised)	-	-
Current tax (credit)/charge for year	<u>-</u>	<u>(249,089)</u>

A number of changes to the UK Corporation tax system were announced in the 23 March 2011 Budget Statement in addition to the Finance (No 2) Act 2010 which included a reduction in the main rate of corporation tax from 28% to 27% from 1 April 2011. Further reductions to the main rate were proposed to reduce the rate to 26% as from 1 April 2011 and by a further 1% per annum to 23% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The effect of these changes are nil.

Notes (continued)

7 Investments

	2010 £	2009 £
<i>Cost</i>		
At beginning and end of year	50	50

The companies in which the Company's interest at the year end is more than 20% are as follows

Company	Country of incorporation	Class of share	Percentage of shares held	Nature of business
Holderness Windfarm Limited	England	Ordinary	100	Dormant
<i>Joint ventures</i>				
Alpha Wind Prospect Limited	England	Ordinary	50	Dormant

8 Stocks

	2010 £	2009 £
Work in progress		
Windfarm development	295,711	390,820

9 Debtors

	2010 £	2009 £
Trade debtors	277,303	
Amounts owed by group undertakings	1,799,476	317,734
Amounts owed by associated company	478,545	669,890
Prepayments and accrued income	97,507	89,950
	2,652,831	1,077,574
<i>Due after more than one year:</i>		
Deferred tax asset (note 11)	-	20,200
	2,652,831	1,097,774

Notes (continued)

10 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	691,801	206,222
Amounts owed to group undertakings	452,645	797,237
Amounts owed to associated company	1,533,108	341,673
Taxation and social security	37,886	11,080
Accruals and deferred income	411,086	98,119
	<u>3,126,526</u>	<u>1,454,331</u>

Interest is charged to both group and associated company loans at an average of 7% for the year (2009 7%)

11 Deferred taxation

	2010 £	2009 £
At beginning of year	(20,200)	-
Charge for the year	20,200	
Credit for the year (note 6)	-	(20,200)
	<u>-</u>	<u>(20,200)</u>
At end of year (note 9)	-	(20,200)

The element of deferred tax was as follows

	2010 £	2009 £
Difference between accumulated depreciation and capital allowances	-	(20,200)

During the year, the director's have written off the deferred tax asset to the profit and loss account as there is an expectation that the asset will not reverse in the foreseeable future

12 Share capital

	2010 £	2009 £
<i>Allotted, called up and fully paid equity</i>		
70 ordinary 'A' shares of £1 each	70	70
30 ordinary 'B' shares of £1 each	30	30
	<u>100</u>	<u>100</u>

The 'A' shares and 'B' shares are different classes of share, but rank *pari passu* in all respects

Notes (continued)

13 Profit and loss account

	2010 £	2009 £
At beginning of year	48,553	(220,736)
Profit/(loss) for the year	(20,200)	269,289
At end of year	28,353	48,553

14 Reconciliation of movements in shareholders' funds/deficit

	2010 £	2009 £
Opening shareholders' funds/deficit	48,653	(220,636)
Profit for the financial year	(20,200)	269,289
Closing shareholders' funds	28,453	48,653

15 Related party transactions

The following related party transactions occurred in the current and previous period

Related party	Relationship	Transaction	Amount 2010 (£000)	Amount outstanding 2010 (£000)	Amount 2009 (£000)	Amount outstanding 2009 (£000)
Cumbria Wind Farms Ltd	Immediate parent company	Repayment of loan plus interest	-	422 creditor	3,704	797 creditor
Cumbria Wind Farms Ltd	Immediate parent company	Interest on loan	32	32 creditor	96	45 creditor
EDF Energy Renewables Ltd	Common ownership	Short term loan	200	200 creditor	-	-
EDF Energy Renewables Ltd	Common ownership	Sale of development costs	4,213	838 debtor	1,822	267 debtor
Wind Prospect Developments Limited 2	Common Ownership	Debtor	961	961 debtor	-	-
Wind Prospect Developments Limited 2	Common Ownership	Creditor	961	961 creditor	-	-
Wind Prospect Group	Common ownership	Loan and interest	371	371 creditor	341	341 creditor
Wind Prospect Group	Common ownership	Sale of development costs	212	479 debtor	966	468 debtor

Notes *(continued)*

16 Ultimate parent undertaking

The company is a subsidiary undertaking of EDF Energies Nouvelles S A , which is the ultimate parent company incorporated in France

The smallest group in which the results of the company are consolidated is that headed by EDF EN UK Limited, incorporated in England & Wales The largest group in which they are consolidated is that headed by EDF Energies Nouvelles S A , a company incorporated in France The consolidated financial statements of the group are available to the public and may be obtained from La Defense 4, 90 Esplanade du General de Gaulle, 92933 Paris La Defense Cedex