

**Beatrice Offshore Windfarm Limited**  
Directors' report and  
financial statements

**Year ended 31 March 2011**

*Registered number: SC350248*

THURSDAY



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# Beatrice Offshore Windfarm Limited

## Directors' report and financial statements

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# Beatrice Offshore Windfarm Limited

## Directors and other information

### Directors

R. Bonnar  
P. Raftery  
J.I. Smith  
J.C Santaclara

### Registered office

Inveralmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ  
Scotland

### Secretary

L. J. V. Donnelly

### Solicitors

Harper MacLeod  
The Ca'D'Oro  
45 Gordon Street  
Glasgow  
G11 3PE

### Auditor

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

# Beatrice Offshore Windfarm Limited

Registered number: SC350248

## Directors' report

The directors present their report together with the audited financial statements of the company for the period from 1 April 2010 to 31 March 2011.

### **Principal activity, business review (including principal risks and uncertainties) and future developments**

The company was incorporated on 22 October 2008. The comparative information represents the period 22 October 2008 to 31 March 2010. The company is a subsidiary of SSE Renewables Holdings (UK) Limited with it owning 75% of its ordinary shares of the company and Repsol Beatrice Limited (formerly known as SeaEnergy Renewables Beatrice Limited) owning the remaining 25%.

The company is currently engaged in the development with a view to the construction and operation of a 920MW offshore windfarm in Scotland.

The principal risks facing the company are cost overruns on the wind farm construction project, failure to complete the project on time and having no off take for the electricity produced when constructed. To mitigate against these risks, the directors of the company have put in place fixed price contracts for the construction of the wind farm and a purchase price agreement to sell electricity generated from the wind farm to a third party once completed.

### **Results for the year and state of affairs as at 31 March 2011**

The balance sheet at 31 March 2011 is set out on page 9 and indicates net assets of £184 (2010:£100). The directors do not recommend the payment of a dividend.

### **Directors and secretary**

The following director has resigned from office:

<b>Director</b>	<b>Resignation date</b>
J. Staadecker	28 June 2011

The following director has been appointed :

<b>Director</b>	<b>Appointment date</b>
J.C Santaclara	28 June 2011

The directors and secretary who served during the year are as listed on page 1. In accordance with the Articles of Association of the company the directors are not required to retire by rotation.

### **Directors' and secretary's interests**

No directors or secretary held any interests in the company at 31 March 2011.

### **Post balance sheet events**

There have been no significant events since the balance sheet date.

# Beatrice Offshore Windfarm Limited

Registered number: SC350248

## Directors' report *(continued)*

### Political and charitable donations

The company did not make any political or charitable donations during the period (2010: £nil).

### Disclosure of information to auditors

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 auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditor

In accordance with Section 487 of the Companies Act, 2006, the auditor KPMG, Chartered Accountants, will continue in office.

On behalf of the Board



Ronald Bonnar  
Director



Peter Raftery  
Director

14 September 2011

# Beatrice Offshore Windfarm Limited

## 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.

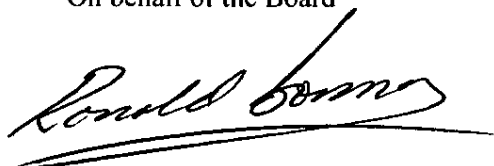
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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:

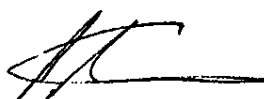
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

On behalf of the Board



Ronald Bonnar  
*Director*



Peter Raftery  
*Director*



**KPMG**  
**Chartered Accountants**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

## **Independent auditor's report to the members of Beatrice Offshore Windfarm Limited**

We have audited the financial statements of Beatrice Offshore Windfarm Limited for the year ended 31 March 2011 set out on pages 7 to 13 which comprise the profit and loss account, balance sheet and related notes. 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 auditor**

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 website at [www.frc.org.uk/apb/scope/private.cfm](http://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 March 2011 and of its profit 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 Beatrice Offshore Windfarm 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.

**C. Mullen (Senior Statutory Auditor)**  
**For and behalf of KPMG, Statutory Auditor**  
*Chartered Accountants*  
*1 Stokes Place*  
*St Stephen's Green*  
*Dublin 2*  
*Ireland*

14 September 2011



# Beatrice Offshore Windfarm Limited

## Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### **Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in England and Wales. The financial statements are stated in Pounds Sterling (£).

### **Cash flow statement**

Under IFRS 1, the company is exempt from the requirement to prepare a cash flow statement as part of its financial statements because it is a small entity as defined in the Companies Act (2006).

### **Tangible fixed assets**

Tangible fixed assets are stated at original cost, net of accumulated depreciation and any provisions for impairment.

Assets in development are recorded at cost. Depreciation of assets in construction commences when the asset is placed in service. Interest on borrowing and arrangement fees related to the financing of major capital projects are capitalised during construction, as part of the cost of the project. Capitalisation of these interest costs ceases when the asset is ready for service.

### **Foreign currency**

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange prevailing at the balance sheet date.

Gains and losses arising from changes in exchange rates subsequent to the dates of transactions are included in the profit and loss account.

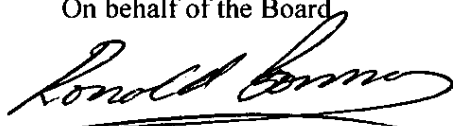
# Beatrice Offshore Windfarm Limited

## Profit and loss Account as at 31 March 2011

	<i>Note</i>	<b>Year ended 31 March 2011 £</b>	<b>Period ended 31 March 2010 £</b>
Other income	3	84	-
<b>Profit on ordinary activities before interest</b>		<b>84</b>	<b>-</b>
Interest receivable	4	174	-
Interest payable	5	(174)	-
<b>Profit on ordinary activities before taxation</b>		<b>84</b>	<b>-</b>
Tax on profit on ordinary activities		-	-
<b>Profit for the financial year</b>	11	<b>84</b>	<b>-</b>

The company had no recognised gains or losses in the current year or prior financial year other than those dealt with in the profit and loss account.

On behalf of the Board



Ronald Bonnar  
Director



Peter Raftery  
Director

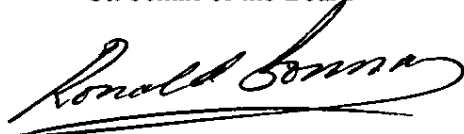
# Beatrice Offshore Windfarm Limited

Registered number: SC350248

## Balance sheet as at 31 March 2011

	<i>Note</i>	<b>2011</b> £	<b>2010</b> £
<b>Fixed assets</b>			
Tangible assets	6	<b>2,841,792</b>	<b>88,861</b>
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	7	<b>360,018</b>	<b>100</b>
Cash at bank and hand		<b>273,117</b>	<b>-</b>
		<hr/>	<hr/>
		<b>633,135</b>	<b>100</b>
<b>Creditors: amounts falling due within one year</b>	8	<b>(326,120)</b>	<b>(88,861)</b>
		<hr/>	<hr/>
<b>Net current assets / (liabilities)</b>		<b>307,015</b>	<b>(88,761)</b>
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		<b>3,148,807</b>	<b>100</b>
<b>Creditors: amounts falling after one year</b>	9	<b>(3,148,623)</b>	<b>-</b>
		<hr/>	<hr/>
<b>Net assets</b>		<b>184</b>	<b>100</b>
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	<b>100</b>	<b>100</b>
Profit and loss	11	<b>84</b>	<b>-</b>
		<hr/>	<hr/>
<b>Shareholders' funds</b>		<b>184</b>	<b>100</b>
		<hr/>	<hr/>

On behalf of the Board



Ronald Bonnar  
Director



Peter Raftery  
Director

# Beatrice Offshore Windfarm Limited

## Notes

*forming part of the financial statements*

### 1 Ownership and operation

The company's immediate parent company is SSE Renewables Holdings (UK) Limited, owning 75% of the issued ordinary shares of the company. Repsol Beatrice Limited (formerly known as SeaEnergy Renewables Beatrice Limited) is a minority shareholder owning the remaining 25% of the ordinary share capital of the company.

The company's ultimate parent undertaking is Scottish and Southern Energy plc, registered in the United Kingdom. The largest and smallest group in which the results of the company are consolidated is that headed by Scottish and Southern Energy plc. The consolidated financial statements of Scottish and Southern Energy plc are available to the public and may be obtained from its registered office at Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ.

No other company financial statements include the results of Beatrice Offshore Windfarm Limited.

### 2 Statutory and other information

Auditor's remuneration has been borne by another group company in the current and prior year.

	2011 £	2010 £
<b>Auditor remuneration</b>		
- Audit services	663	663
- Tax advisory services	221	221
	<hr/>	<hr/>
<b>Balance at end of year</b>	<b>884</b>	<b>884</b>
	<hr/>	<hr/>

None of the directors received any emoluments in respect of fees or services to the company in the year ended 31 March 2011 (2010: £nil).

The company had no employees in the current or prior year.

3 Other income	31 March 2011 £	31 March 2010 £
Realised gain on foreign exchange	84	-
	<hr/>	<hr/>
4 Interest receivable	31 March 2011 £	31 March 2010 £
Interest received from Repsol Beatrice Limited	174	-
	<hr/>	<hr/>

# Beatrice Offshore Windfarm Limited

## Notes

(continued)

<b>5 Interest payable</b>	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>
Interest on loan payable to related party - SSE PLC	<b>174</b>	-

<b>6 Tangible fixed assets</b>	<b>Assets under development £</b>	<b>Total £</b>
<i>Cost</i>		
Balance at beginning of period	88,861	88,861
Additions	2,752,931	2,752,931
<b>Balance at end of period</b>	<b>2,841,792</b>	<b>2,841,792</b>
<i>Accumulated depreciation</i>		
Balance at beginning of period	-	-
Charge for period	-	-
<b>Balance at end of period</b>	<b>-</b>	<b>-</b>
<i>Net book value</i>		
<b>31 March 2011</b>	<b>2,841,792</b>	<b>2,841,792</b>

Tangible fixed assets include £43,695 of capitalised interest (2010: £nil.)

<b>7 Debtors</b>	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>
VAT Receivable	199,960	-
Amounts receivable from related parties -		
Repsol Beatrice Limited	123,766	-
SSE Renewables Development (UK) Limited	36,292	100
	<b>360,018</b>	<b>100</b>

Amount outstanding from Repsol Beatrice Limited is charged interest at 1% above 3 month LIBOR.

# Beatrice Offshore Windfarm Limited

## Notes

(continued)

<b>8 Creditors: amounts falling due within one year</b>	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>
Accruals	<u>326,120</u>	<u>88,861</u>
<b>9 Creditors: amounts falling after one year</b>	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>
Long-term loan – Repsol Beatrice Limited	625,451	-
Long-term loan – SSE PLC	<u>2,523,172</u>	<u>-</u>
	<u>3,148,623</u>	<u>-</u>

The long-term loans are unsecured and have no fixed repayment period. 75% of both loans are interest bearing at 4% above 3 month LIBOR. The remaining 25% is interest free.

<b>10 Called up share capital</b>	<b>31 March 2011 £</b>	<b>31 March 2010 £</b>
<i>Authorised:</i>		
375,006,400 ordinary-A shares of £0.01 each	3,750,064	3,750,064
2,500 ordinary-B shares of £0.01 each	<u>25</u>	<u>25</u>
	<u>3,750,089</u>	<u>3,750,089</u>
<i>Alloted, called up and fully paid:</i>		
7,500 ordinary-A shares of £0.01 each	75	75
2,500 ordinary-B shares of £0.01 each	<u>25</u>	<u>25</u>
	<u>100</u>	<u>100</u>

# Beatrice Offshore Windfarm Limited

## Notes

(continued)

### 11 Reconciliation of profit and loss account and shareholders' funds

	Profit and loss account		Shareholders' funds	
	31 March	31 March	31 March	31 March
	2011	2010	2011	2010
	£	£	£	£
Balance at beginning of year	-	-	100	-
Issue of share capital	-	-	-	100
Profit for the financial year	84	-	84	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at end of year	84	-	184	100
	<hr/>	<hr/>	<hr/>	<hr/>

### 12 Capital Commitments

As at 31 March 2011, the company had a total of £529,198 (2010: £nil) of capital commitments.

### 13 Related party transactions

During the year the company entered into the following transactions, in the ordinary course of business, with related parties.

	Transactions for the year ended 31 March 2011	Receivable/ (Payable) as at 31 March 2011
	£	£
SSE PLC : Loan (Long Term)	2,523,172	(2,523,172)
Repsol Beatrice Limited: Loan (Long Term)	625,451	(625,451)
Repsol Beatrice Limited Receivable	123,766	123,766
SSE Renewables Development (UK) Limited	36,292	36,292

The long term loans include the following interest charges

	Capitalised	Charge
	£	£
SSE PLC	36,102	174
Repsol Beatrice Limited	7,419	-

### 14 Approval of financial statements

The directors approved these financial statements on 14 September 2011.