

Registered Number: 06707821

**GLID Wind Farms TopCo Limited**  
(formerly Centrica Renewable Holdings Limited)

**Annual report and financial statements**  
**For the period ended 31 December 2009**

FRIDAY



\*LMOZFL5Z\*

LD3

25/06/2010

391

COMPANIES HOUSE

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Annual report and financial statements for the period ended 31 December 2009**

**Contents**

	<b>Pages</b>
Directors' report for the period ended 31 December 2009	1-4
Independent auditors' report to the members of GLID Wind Farms TopCo Limited	5
Consolidated profit and loss account for the period ended 31 December 2009	6
Balance sheets as at 31 December 2009	7
Consolidated cash flow statement for the period ended 31 December 2009	8
Notes to the consolidated financial statements for the period ended 31 December 2009	9-29

# **GLID Wind Farms TopCo Limited** **(formerly Centrica Renewable Holdings Limited)**

## **Directors' report for the period ended 31 December 2009**

The directors present their report and the audited financial statements of GLID Wind Farms TopCo Limited ("the Company")

### **Principal activities**

For the period under review, the principal activity of the Company and its subsidiaries ("the Group") was the construction and operation of the Lynn and Inner Dowsing wind farms, and the operation of the Glens of Foudland wind farm

Following the completion of its construction projects, the Group's principal activity will be the operation of its wind farms

### **Review of business and future developments**

The Company was incorporated on 25 September 2008 as Centrica Renewable Holdings Limited and commenced trading on 1 October 2008. The Company changed its name to GLID Wind Farms TopCo Limited on 8 October 2009. These financial statements are for the 15-month and 6-day period from 25 September 2008 to 31 December 2009.

On 30 September 2008, the Company issued 50,000,000 ordinary shares of £1 each, and on 5 October 2009, the Company issued a further 137,151,997 ordinary shares of £1 each.

On 30 September 2008, the Company acquired Glens of Foudland Wind Farm Limited.

On 1 October 2008, the Company acquired two further subsidiaries, Lynn Wind Farm Limited (formerly Centrica (LW) Limited), and Inner Dowsing Wind Farm Limited (formerly Centrica (IDW) Limited).

On 9 November 2009, the Company refinanced its investments, raising bank debt to replace shareholder funding.

On 10 November 2009, 50% of the Company's equity was sold by Centrica Renewable Energy Limited to GLID Limited, a company registered in England and Wales and a wholly-owned subsidiary of Centrica plc.

On 11 December 2009, the remaining 50% interest in the Company was sold by Centrica Renewable Energy Limited to Boreas Holdings S à r l, a company registered in Luxembourg.

On 16 December 2009, Ranelagh Nominees Limited, a company registered in England and Wales, took a legal mortgage over the shares held by Boreas Holdings S à r l, and was entered into the Company's register of members.

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital. A Special Resolution was passed on 10 December 2009 to delete all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association.

The Group performed in line with expectation during the period. Following a review of the carrying value of the goodwill that arose on the acquisition of the three subsidiaries, a charge of £55,603,000 was made for the impairment of goodwill. An additional charge of £55,800,000 was made for the impairment of tangible fixed assets.

### **Key performance indicators ("KPIs")**

The directors have formally convened monthly board meetings since December 2009. The board meetings' standing agenda items ensure a monthly review of key performance metrics covering health, safety and the environment, operations and maintenance activity and financial performance.

# **GLID Wind Farms TopCo Limited** **(formerly Centrica Renewable Holdings Limited)**

## **Directors' report for the period ended 31 December 2009 (continued)**

### **Principal risks and uncertainties**

The Group's principal risks are the availability of the wind farms and the sale of the related output. The availability is driven by the technical performance of the wind turbines and ancillary equipment, and the physical access to the wind farms. These risks determine the Group's ability to make loan repayments and to pay dividends when appropriate.

An industry review has identified certain issues associated with the widely used foundation design also used by the Lynn and Inner Dowsing wind farms. The Group has become aware that the majority of turbines at the Lynn and Inner Dowsing wind farms have experienced these issues and the directors have instigated a programme of investigation and monitoring which will assist with a decision on a rectification solution. If the issue is left unrectified then engineering analysis estimates that the useful life of the foundations could be materially shortened although the directors are of the opinion that the issue is unlikely to affect turbine operability in the short-term. A rectification solution is expected to be implemented in 2011.

Investigation and monitoring costs of around £2m are expected to be incurred by the end of 2010. A preliminary estimate indicates that the rectification costs could be up to £5m although, as the precise rectification solution has not yet been developed, a final costing cannot be confirmed.

The Company's lenders have confirmed to the Company that they reserve their position under the loan facility agreement should the seriousness of the issue be such that an event of default is determined to have occurred. Following due process, the directors do not consider that a default or an event of default has occurred in this regard.

### **Results and dividends**

The results of the Group are set out on page 6. The consolidated loss on ordinary activities after taxation for the period ended 31 December 2009 was £102,028,000. The consolidated loss on ordinary activities before taxation was £93,731,000, after charging £111,403,000 for the impairment of goodwill and tangible fixed assets. No dividends were declared or paid for the period ended 31 December 2009. The directors do not recommend the payment of a final dividend.

### **Financial position**

The financial position of the Company and of the Group is presented in the balance sheet on page 7. Shareholders' funds of the Company at 31 December 2009 were £83,713,000; and of the Group were £85,124,000.

### **Donations**

The Group made charitable donations of £35,670 during the period. The Group did not make any political donations during the period.

### **Directors**

The following served as directors from incorporation and up to the date of signing this report

	<b>Date of appointment</b>	<b>Date of resignation</b>
J Spence	26 September 2008	
A S Thompson	30 September 2008	
J-D W Borgeaud	11 December 2009	
R B Thomas	11 December 2009	
N F Monir	25 September 2008	25 September 2008
S M Evers	25 September 2008	26 September 2008
Trusec Limited	25 September 2008	26 September 2008
S E Wheeler	26 September 2008	10 December 2009
G S Collinson	13 February 2009	10 December 2009

# **GLID Wind Farms TopCo Limited**

## **(formerly Centrica Renewable Holdings Limited)**

### **Directors' report for the period ended 31 December 2009 (continued)**

#### **Directors' and officers' liability**

Directors' and officers' liability insurance was purchased by the ultimate parent company, Centrica plc, and was in place throughout the period under review until 11 December 2009. From 12 December 2009, the directors relied upon the cover of their respective employers, either Centrica plc or TCW Asset Management Company. The insurances do not provide cover in the event that the director is proved to have acted fraudulently or unlawfully.

#### **Creditor payment policy**

It is the Group's policy to

- agree the terms of payment in advance with the supplier,
- ensure that suppliers are aware of the terms of payment, and
- pay in accordance with contractual and other legal obligations

Trade creditors at 31 December 2009 represented 42 days of purchases.

#### **Risk management**

The directors have established objectives and policies for managing financial risks to enable the Group to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed. The most significant risks faced by the Group in the period to 31 December 2009 related to liquidity risk, foreign currency exchange risk, interest rate risk, counterparty credit risk and commodity price risk, all of which arise in the Group's normal course of business.

- Cash forecasts identifying the liquidity requirements of the Group are produced frequently and reviewed regularly. Until 4 November 2009, liquidity risk was managed through funding arrangements with Centrica group companies. From 4 November 2009, funding was covered by the loan facility agreement with a bank syndicate.
- Interest rate risk arises on the Group's borrowings. The Group actively reduces its exposure to fluctuations in interest rates by swapping floating interest rates for fixed interest rates.
- The Group is exposed to fluctuating exchange rates on its maintenance contracts. The Group's policy is to actively manage this risk by swapping floating-rate foreign exchange flows into fixed-rate foreign exchange flows.
- Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits. Credit risk is predominantly limited to exposures with related Centrica group companies.
- In respect of commodity prices, the risk is that market prices for power, Renewable Obligation Certificates ("ROCs"), and Levy Exemption Certificates ("LECs") will move adversely, thereby potentially reducing expected margins. The Group did not hedge power price exposure until 1 October 2009. Subsequently the Group entered into agreements to sell power, ROCs and LECs to British Gas Trading Limited, a related Centrica group company. Power is currently sold at fixed prices. ROCs are transferred at a price based on the buy out price set out annually in the Renewables Obligation Order. LECs are transferred at a price based on the prevailing LEC price under the Climate Change Levy.

The Group does not currently take part in hedging of any kind, other than with respect to foreign currency risk and interest rate risk.

# **GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited)**

## **Directors' report for the period ended 31 December 2009 (continued)**

### **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 period. 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). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

In preparing those 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 Group or the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Auditors**

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

### **Disclosure of information to auditors**

Each of the directors who held office at the date of approval of this directors' report confirm that so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This report was approved by the Board on 25 June 2010



For and on behalf of  
Centrica Secretaries Limited  
Company Secretary

Company registered in England and Wales No 06707821

Registered office  
Millstream  
Maidenhead Road  
Windsor, Berkshire SL4 5GD

# **GLID Wind Farms TopCo Limited** **(formerly Centrica Renewable Holdings Limited)**

## **Independent auditors' report to the members of GLID Wind Farms TopCo Limited**

We have audited the group and parent company financial statements ("the financial statements") of GLID Wind Farms TopCo Limited for the period ended 31 December 2009 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes. 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).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities 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 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the Company's affairs as at 31 December 2009 and of the Group's loss and cashflows 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.

### **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 by the Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the Company 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.



John Maitland (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
25 June 2010

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Consolidated profit and loss account for the period ended 31 December 2009**

	Notes	Period ended 31 December 2009 £'000
<b>Turnover</b>		<b>78,879</b>
Cost of sales		<u>(49,065)</u>
<b>Gross profit before exceptional items</b>		<b>29,814</b>
Exceptional item - impairment of tangible fixed assets	3	(55,800)
Exceptional item - impairment of goodwill	3	<u>(55,603)</u>
<b>Gross loss</b>		<b>(81,589)</b>
Administration expenses		<u>(6,327)</u>
<b>Operating loss</b>		<b>(87,916)</b>
Interest receivable and similar income	7	31
Interest payable and similar charges	7	<u>(5,846)</u>
<b>Loss on ordinary activities before taxation</b>		<b>(93,731)</b>
Tax on loss on ordinary activities	8	<u>(8,297)</u>
<b>Net loss for the period</b>	18	<u><b>(102,028)</b></u>

The Group has no recognised gains and losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the loss on ordinary activities before taxation and the loss for the period stated and their historical cost equivalents

All activities relate to continuing operations

The notes on pages 9 to 29 form part of these financial statements




**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Balance sheets as at 31 December 2009**

		<b>Group</b>	<b>Company</b>
	<b>Notes</b>	<b>2009</b>	<b>2009</b>
		<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>			
Intangible fixed assets	9	-	-
Tangible fixed assets	10	463,396	-
Investment in subsidiary undertakings	11	-	126,700
		<u>463,396</u>	<u>126,700</u>
<b>Current assets</b>			
Debtors	12	37,056	315,317
Cash and cash equivalents		29,630	24,479
		<u>66,686</u>	<u>339,796</u>
<b>Creditors – amounts falling due within one year</b>	13	(43,491)	(39,260)
<b>Net current assets</b>		<u>23,195</u>	<u>300,536</u>
<b>Total assets less current liabilities</b>		<u>486,591</u>	<u>427,236</u>
<b>Creditors - amounts falling due after more than one year</b>	14	(343,523)	(343,523)
<b>Provisions</b>	16	(57,944)	-
<b>Net assets</b>		<u>85,124</u>	<u>83,713</u>
<b>Capital and reserves</b>			
Called up share capital	17	187,152	187,152
Profit and loss reserve	18	(102,028)	(103,439)
<b>Equity shareholders' funds</b>	19	<u>85,124</u>	<u>83,713</u>

The notes on pages 9 to 29 form part of these financial statements

The financial statements on pages 6 to 29 were approved and authorised for issue by the Board of Directors on 25 June 2010 and were signed on its behalf by

  
**A S Thompson**  
**Director**

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Consolidated cash flow statement for the period ended 31 December 2009**

	Notes	Period ended 31 December 2009	
		£'000	£'000
<b>Net cash inflow from operating activities</b>	20		<b>35,936</b>
<b>Returns on investments and servicing of finance</b>			
Interest received		7	
Interest paid		(2,502)	
Issue costs of new bank loan		(11,828)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			<b>(14,323)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(15,071)	
<b>Net cash outflow for capital expenditure and financial investment</b>			<b>(15,071)</b>
Purchase of subsidiary undertakings	24	(179,000)	
Cash acquired with subsidiary undertakings	21, 24	25	
<b>Net cash outflow for acquisitions</b>			<b>(178,975)</b>
<b>Net cash outflow before use of liquid resources and financing</b>			<b>(172,433)</b>
<b>Management of liquid resources</b>			
Increase in deposits with Centrica group undertakings	12	(18,946)	
<b>Net cash outflow from management of liquid resources</b>			<b>(18,946)</b>
<b>Financing</b>			
Issue of ordinary share capital	17	137,152	
Increase in borrowings since acquisition of subsidiaries	21	83,757	
<b>Net cash inflow from financing</b>			<b>220,909</b>
<b>Increase in net cash</b>			<b>29,530</b>
<b>Reconciliation to net debt</b>			
Net debt at 25 September 2008	21		
Increase in net cash	21		29,530
Movement in borrowings	21		(391,618)
<b>Net debt at 31 December 2009</b>	21		<b>(362,088)</b>

The notes on pages 9 to 29 form part of these financial statements

# **GLID Wind Farms TopCo Limited** **(formerly Centrica Renewable Holdings Limited)**

## **Notes to the financial statements for the period ended 31 December 2009**

### **1 Principal accounting policies**

#### **Accounting principles**

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with United Kingdom Accounting Standards and the Companies Act 2006. The principal accounting policies are set out below.

#### **Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and all of its subsidiary undertakings. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting. Each company in the group has adopted the same accounting policies and they are applied uniformly across the Group. The financial statements of each company in the Group have been prepared to 31 December 2009. All intra-group transactions and profits are eliminated in full on consolidation.

#### **Turnover**

Turnover relates to the sale of generated power and the associated Renewables Obligation Certificates (ROCs) and Levy Exemption Certificates (LECs). Turnover is recognised to the extent that it is virtually certain that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is recognised on the basis of power supplied during the period, together with associated ROCs and LECs, except that the ROC Recycling Benefit is recognised only once the benefit is received.

#### **Tangible fixed assets**

Tangible fixed assets are included in the balance sheet at cost, less accumulated depreciation. Depreciation is charged on all fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows for these asset classes:

- Plant and machinery	20 years
- Decommissioning asset	20 years

Assets in the course of construction represents the cost of purchasing, commissioning, constructing and installing tangible fixed assets ahead of their productive use. When the asset is brought into use, the associated cost is transferred to plant and machinery, and the asset is depreciated on a straight-line basis over its useful economic life. Finance costs incurred in the construction period are not capitalised.

#### **Investment in subsidiary undertakings**

Fixed asset investments are shown at cost less any provision for impairment. Investments consist of equity interests in subsidiaries.

#### **Goodwill**

Goodwill arising on acquisition, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life. Provision is made for any impairment losses where applicable.

# **GLID Wind Farms TopCo Limited** **(formerly Centrica Renewable Holdings Limited)**

## **Notes to the financial statements for the period ended 31 December 2009 (continued)**

### **1 Principal accounting policies (continued)**

#### **Impairment**

At each balance sheet date, the Group and the Company review the carrying amounts of their fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Recoverable amount is the higher of net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

#### **Foreign currency**

The financial statements of the Group and the Company are presented in sterling, which is the functional currency of the Company and each of its subsidiaries. Transactions in foreign currencies are initially recorded at either the functional currency rate ruling at the date of the transaction or the rate that they have been hedged at using forward contracts. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

#### **Taxation**

Current tax being 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.

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 taxable profits and the 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 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 in the foreseeable future from which the reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the 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.

#### **Loans**

Loans payable are initially recognised at the fair value of the consideration received, after deduction of transaction costs that are directly attributable to the acquisition or issue of the loan. Costs associated with bank loans are amortised over the shorter of the contractual term or the expected date of renegotiation.

Loans receivable are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the loan. They are subsequently carried at amortised cost using the effective interest rate method less any allowance for estimated impairments. A provision is established for impairments where there is objective evidence that the Group or the Company will not be able to collect all amounts due under the original terms of the loan. Interest income, together with losses when the loans are impaired, is recognised in the profit and loss account.

# **GLID Wind Farms TopCo Limited** **(formerly Centrica Renewable Holdings Limited)**

## **Notes to the financial statements for the period ended 31 December 2009 (continued)**

### **1 Principal accounting policies (continued)**

#### **Abandonment provision and decommissioning asset**

Provision is made for the net present value of the estimated cost of decommissioning each wind farm at the end of its useful life, based on price levels and technology at the balance sheet date

Changes in these estimates and changes to the discount rates are dealt with prospectively

When this provision gives access to future economic benefits, a decommissioning asset is recognised and included within tangible fixed assets. The decommissioning asset is amortised on a straight-line basis over the useful life of the wind farm, from the date that the asset is brought into use.

The unwinding of the discount on the provision is included in the profit and loss account within interest payable.

#### **Government grants and deferred income--**

Government grants received as a contribution towards wind farm expenditure are initially recognised as deferred income. This deferred income is released to the profit and loss account on a straight-line basis over the expected useful economic life of the related asset, commencing when the entire asset is fully operational.

Interest payable on government grants is recognised on an accruals basis to the extent that it is probable that the grant will be repaid.

#### **Financial instruments**

The Group enters into forward contracts to economically hedge its foreign exchange exposure on milestone payments made to foreign suppliers and operating and maintenance expense. The Group also enters into interest rate swaps to reduce the exposure to floating interest rates. As the Group has not adopted FRS 26 (Financial Instruments: Recognition and Measurement), changes in the derivatives' fair value are not recognised (note 22).

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less.

#### **Exceptional items**

As permitted by FRS 3, "Reporting Financial Performance", certain items are presented separately. The items that the Group presents separately as exceptional are those which are of a non-recurring nature and, in the judgment of the directors, need to be disclosed separately by virtue of their nature, size or incidence in order to obtain a clear and consistent presentation of the Group's underlying business performance. Items which have been classed as exceptional in the year are disclosed in notes 9, 10 and 11.

### **2 Segmental reporting**

The Group's sole activity is the operation of wind farms wholly within the United Kingdom.

# **GLID Wind Farms TopCo Limited** **(formerly Centrica Renewable Holdings Limited)**

## **Notes to the financial statements for the period ended 31 December 2009 (continued)**

### **3 Operating loss**

The operating loss is stated after charging

	<b>Period ended 31 December 2009 £'000</b>
Depreciation of tangible fixed assets (note 10)	<b>34,185</b>
Impairment of tangible fixed assets (note 10)	<b>55,800</b>
Impairment of goodwill (note 9)	<b>55,603</b>

Auditors' remuneration for the audit of UK GAAP statutory accounts was £69,000 £29,000 relates to fees for the audit of the Company and the consolidated accounts, and £40,000 relates to the audit of the Company's subsidiaries

### **4 Directors' emoluments**

The directors received no emoluments during the period, as they were employed by other group companies of their respective ultimate parent companies

### **5 Employee information**

The Group and the Company have no employees and no staff costs Prior to 11 December 2009, any costs relating to employees were borne by the Centrica plc group

### **6 Profits of holding company**

A loss of £103,439,000 is dealt with in the accounts of GLID Wind Farms TopCo Limited The loss on ordinary activities before taxation was £103,607,000 which included an impairment charge of £102,300,000 relating to the Company's investment in three subsidiaries (see note 11)

The directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and have not presented a profit and loss account for the Company alone

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**7 Interest and similar items**

**Interest receivable and similar income**

	Period ended 31 December 2009 £'000
Interest receivable from Centrica group undertakings	22
Interest receivable on cash balances	9
<b>Total interest receivable and similar income</b>	<b>31</b>

Interest receivable from Centrica group undertakings relates to accrued interest on a loan to one of the Company's immediate shareholder undertakings, GLID Limited (note 12)

**Interest payable and similar charges**

	Period ended 31 December 2009 £'000
Interest payable on bank loans and overdrafts (note 15)	2,894
Interest payable on shareholders' loans (note 14)	1,409
Amortisation of issue costs of bank loan (note 15)	806
Interest payable on government grants	328
Unwinding of discount on abandonment provision (note 16)	409
<b>Total interest payable and similar charges</b>	<b>5,846</b>

The Lynn and Inner Dowsing wind farms were eligible to receive up to £20 million in aggregate under the Offshore Wind Capital Grants Scheme. At the date that the Company acquired its subsidiaries, £13.0 million had been drawn down and recognised as deferred income. Generation from the Lynn and Inner Dowsing wind farms was accredited to the Renewable Obligation Certificate (ROC) regime and was initially entitled to ROCs at a rate of 1.0 ROC / MWh.

Subsequently, the Government introduced a banded ROC regime with a rate of 1.5 ROCs / MWh for offshore wind. This regime became effective on 1 April 2009. To receive the full benefit of the new regime, the grant was repaid on 1 April 2009 together with the accrued interest.

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**8 Tax on loss on ordinary activities**

**Period ended  
31 December  
2009  
£'000**

**(a) Analysis of tax charge in the period**

The tax charge comprises

**Current tax:**

United Kingdom corporation tax at 28%

Total current tax

**Deferred tax**

Origination and reversal of timing differences

Total tax on loss on ordinary activities

8,297

8,297

**(b) Factors affecting the tax charge for the period**

The tax assessed for the year differs from that calculated at the standard rate of corporation tax in the UK (28%). The differences are explained below

**Period ended  
31 December  
2009  
£'000**

Loss on ordinary activities before taxation

(93,731)

Tax on loss on ordinary activities at standard UK corporation tax rate of 28%

(26,245)

Effects of

Depreciation on Non Qualifying assets

3,442

Capital allowances in excess of depreciation

(12,136)

Tangible fixed assets impaired

15,624

Goodwill written off

15,569

Timing differences

3,839

Losses carried forward

198

Centrica group relief for nil consideration

2,941

UK UK transfer pricing adjustment

(3,232)

Tax charge for the period



**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**9 Intangible fixed assets**

<b>Group</b>	<b>Goodwill £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 25 September 2008	-	-
Additions	55,603	55,603
<b>As at 31 December 2009</b>	<b>55,603</b>	<b>55,603</b>
<b>Accumulated amortisation</b>		
At 25 September 2008	-	-
Impairment	55,603	55,603
<b>At 31 December 2009</b>	<b>55,603</b>	<b>55,603</b>
<b>Net book value</b>		
At 31 December 2009	-	-
At 25 September 2008	-	-

The goodwill arose on the acquisition of three subsidiary undertakings in the period (note 24). Following the disposal of 50% of the Company to Boreas Holdings S à r l, a review of the carrying value of the goodwill resulted in an impairment charge of the full amount.

The Company had no intangible fixed assets at any time in the period.

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**10 Tangible fixed assets**

<b>Group</b>	<b>Plant and machinery £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 25 September 2008	-	-
Acquired on acquisition of subsidiaries (note 24)	540,482	540,482
Additions	15,071	15,071
Revisions	(2,172)	(2,172)
<b>As at 31 December 2009</b>	<b>553,381</b>	<b>553,381</b>
<b>Accumulated depreciation</b>		
At 25 September 2008	-	-
Depreciation charge for the period	34,185	34,185
Impairment charge	55,800	55,800
<b>At 31 December 2009</b>	<b>89,985</b>	<b>89,985</b>
<b>Net book value</b>		
<b>At 31 December 2009</b>	<b>463,396</b>	<b>463,396</b>
At 25 September 2008	-	-

The fair value of the tangible fixed assets acquired with the subsidiaries was derived using forward power prices at the time of acquisition in 2008. The subsequent impairment charge reflects the reduction in the net realisable value of the tangible fixed assets at 31 December 2009. This impairment arose because of the decline in forward power prices in the period.

The Company had no tangible fixed assets at any time in the period.

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**11 Investment in subsidiary undertakings**

<b>Company</b>	<b>Investment in subsidiaries £'000</b>	<b>Total £'000</b>
<b>Cost</b>		
At 25 September 2008	-	-
Additions	229,000	229,000
<b>At 31 December 2009</b>	<b>229,000</b>	<b>229,000</b>
<b>Impairment</b>		
At 25 September 2008	-	-
Impairment	102,300	102,300
<b>At 31 December 2009</b>	<b>102,300</b>	<b>102,300</b>
<b>Net book value</b>		
<b>At 31 December 2009</b>	<b>126,700</b>	<b>126,700</b>
At 25 September 2008	-	-

The additions for the period are set out in note 24 and relate to the purchase of share capital in three subsidiary undertakings

The consideration paid for the three subsidiaries was based on the value in use of the assets acquired, using forward power prices at the time of acquisition in 2008. The subsequent impairment charge reflects the reduction in the net realisable value of the assets at 31 December 2009. This impairment arose because of the decline in forward power prices in the period.

At 31 December 2009, the Company held interests in the issued share capital of the following undertakings, all of which have been consolidated in these financial statements

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of share capital held</b>	<b>Proportion of share capital held</b>	<b>Nature of business</b>
Glens of Foudland Wind Farm Limited	England & Wales	Ordinary	100%	Operation of an onshore wind farm
Lynn Wind Farm Limited (formerly Centrica (LW) Limited)	England & Wales	Ordinary	100%	Operation of an offshore wind farm
Inner Dowsing Wind Farm Limited (formerly Centrica (IDW) Limited)	Scotland	Ordinary	100%	Operation of an offshore wind farm

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**12 Debtors**

	<b>Group</b>	<b>Company</b>
	<b>2009</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by Group undertakings	-	296,178
Amounts owed by Centrica group undertakings	21,747	18,971
UK corporation tax	-	168
Prepayments	3,028	-
Accrued income	12,281	-
	<b>37,056</b>	<b>315,317</b>

Within the amounts owed by Centrica group undertakings is a loan from the Company to one of the immediate shareholder undertakings, GLID Limited, of £18,946,000, together with accrued interest of £22,000

**13 Creditors - amounts falling due within one year**

	<b>Group</b>	<b>Company</b>
	<b>2009</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans and overdrafts (note 15)	33,524	33,524
Trade creditors	1,379	108
VAT creditor	115	-
Accruals	8,473	5,628
	<b>43,491</b>	<b>39,260</b>

Bank loans consist of a working capital facility, a letter of credit facility and the portion of the term loan that is due within one year, stated net of capitalised finance costs of £4,891,000 which are being amortised over three years (see note 15) Accruals includes £1,486,000 of interest accrued on the 12% loan notes (see note 14) and the bank loans

**14 Creditors - amounts falling due after more than one year**

	<b>Group</b>	<b>Company</b>
	<b>2009</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Bank loans (note 15)	261,099	261,099
Amounts owed to shareholder undertakings (note 15)	82,424	82,424
	<b>343,523</b>	<b>343,523</b>

Bank loans consist of a term loan stated net of capitalised finance costs of £9,780,000 at 31 December 2009, which are being amortised over three years (see note 15)

Amounts owed to shareholder undertakings consist of £41,212,000 of loan notes (see note 15) issued to each of the immediate shareholder undertakings in the form of shareholder loans

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**15 Bank and other borrowings**

	Group	Company
	2009	2009
	£'000	£'000
<b>Due within 1 year or on demand:</b>		
<b>Bank loans and overdrafts</b>		
Secured	33,524	33,524
Unsecured	-	-
	<u>33,524</u>	<u>33,524</u>
<b>Due after more than 1 year:</b>		
<b>Bank loans</b>		
Secured	261,099	261,099
Unsecured	-	-
	<u>261,099</u>	<u>261,099</u>
<b>Debenture loans</b>	82,424	82,424
<b>Total borrowings</b>	<u>377,047</u>	<u>377,047</u>

Bank loans are denominated in Sterling. The constituent parts of the bank loans are

1) a term loan facility of £290,944,184. The loan was wholly drawn down on 9 November 2009. The loan is to be repaid in 29 semi-annual instalments with the first scheduled loan repayment on 30 June 2010 and the final scheduled loan repayment on 30 June 2024. At 31 December 2009, the outstanding balance is stated net of £14,671,000 of capitalised bank loan issue costs, which are being amortised over three years.

2) a revolving credit working capital facility of £15,000,000 until 31 May 2024. A loan of £6,500,000 was drawn down in the period.

3) a revolving letter of credit facility of £35,000,000 until 31 May 2024. A loan of £11,750,000 was drawn down in the period.

The interest payable on amounts drawn under the bank loans is based on LIBOR for the interest period for that particular loan, plus a margin and other costs.

The debenture loans consist of loan notes issued to each of the shareholder undertakings in the form of a shareholder loan. Each shareholder undertaking was issued with £41,212,000 of loan notes. The notes bear interest on their outstanding principal amount at a rate of 12% per annum. The notes are due on 24 October 2059 but may be redeemed by the Company at any time.

The non-shareholder debt is secured on the assets and shares of the Company.

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**16 Provisions for liabilities and charges**

	Deferred taxation £'000	Abandonment provision £'000	Total £'000
<b>Group</b>			
At 25 September 2008	-	-	-
Acquired on acquisition of subsidiaries	29,450	21,960	51,410
Additions/revisions	-	(2,172)	(2,172)
Unwind of discounting	-	409	409
Profit and loss charge	8,297	-	8,297
<b>As at 31 December 2009</b>	<b>37,747</b>	<b>20,197</b>	<b>57,944</b>

The Company had no provisions for liabilities and charges at any time in the period

**Deferred taxation**

	At 25 September 2008 £'000	Profit and loss charge/(credit) £'000	At 31 December 2009 £'000
Deferred corporation tax			
- accelerated capital allowances	27,573	12,135	39,708
- other timing differences	1,877	(3,838)	(1,961)
	<b>29,450</b>	<b>8,297</b>	<b>37,747</b>

Deferred corporation tax provision/(asset) at 28% is analysed as follows

	<b>Provided</b>		<b>Unprovided</b>	
	At 31 Dec 09 £'000	At 25 Sept 08 £'000	At 31 Dec 09 £'000	At 25 Sept 08 £'000
Deferred corporation tax				
- accelerated capital allowances	39,708	-	-	-
- other timing differences	(1,961)	-	(198)	-
	<b>37,747</b>	<b>-</b>	<b>(198)</b>	<b>-</b>

There is an unprovided deferred tax asset of £198,000 in the Company and the Group in respect of losses carried forward

**Abandonment provision**

The abandonment provision represents the expected future costs of decommissioning the Group's windfarms at the end of their useful economic lives, discounted to the present value. The payment date of the total expected future decommissioning costs is uncertain but is currently anticipated to be 2025 for Glens of Foudland and 2028 for Lynn and Inner Dowsing. The above provision relates solely to works performed on the sites as at the balance sheet date. In determining the provision the cash flows have been discounted on a pre-tax basis using an annual real interest rate of 1.7% for Lynn and Inner Dowsing, and 2.0% for Glens of Foudland. The assumed rate of inflation is 2.5%.

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**17 Called up share capital**

	2009
	£'000
<b>Company and Group</b>	
<b>Authorised</b>	
Nil ordinary shares of £1 each	-
<b>Allotted and fully paid</b>	
At 25 September 2008 (1 ordinary share of £1)	-
Issued on 30 September 2008 (50,000,000 ordinary shares of £1 each)	50,000
Issued on 5 October 2009 (137,151,997 ordinary shares of £1 each)	137,152
At 31 December 2009 (187,151,998 ordinary shares of £1 each)	187,152

On incorporation on 25 September 2008, the Company issued 1 ordinary share of £1 to Centrica Renewable Energy Limited

On 30 September 2008, the Company issued 50,000,000 ordinary shares of £1 each to Centrica Renewable Energy Limited

On 5 October 2009, the Company issued 137,151,997 ordinary shares of £1 each to Centrica Renewable Energy Limited

The Company has taken advantage of the provisions of the Companies Act 2006 (the 'Act') to abolish the requirement to have an authorised share capital. A Special Resolution was passed by the Company's sole member on 10 December 2009 to delete all provisions of the Company's Memorandum of Association which, by virtue of section 28 of the Act, were treated as provisions of the Company's Articles of Association and then by adopting new Articles of Association.

**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**18 Reserves**

	Profit and loss reserve £'000	Total £'000
<b>Group</b>		
At 25 September 2008	-	-
Loss for the period	(102,028)	(102,028)
At 31 December 2009	<u>(102,028)</u>	<u>(102,028)</u>
<b>Company</b>		
At 25 September 2008	-	-
Loss for the period	(103,439)	(103,439)
At 31 December 2009	<u>(103,439)</u>	<u>(103,439)</u>

**19 Reconciliation of movements in shareholders' funds**

	Group Period ended 31 December 2009 £'000	Company Period ended 31 December 2009 £'000
At 25 September 2008	-	-
Share capital issued in the period (note 17)	187,152	187,152
Loss for the period	<u>(102,028)</u>	<u>(103,439)</u>
At 31 December 2009	<u>85,124</u>	<u>83,713</u>

**20 Cash flow from operating activities**

	Period ended 31 December 2009 £'000
Operating loss	(87,916)
Depreciation of tangible fixed assets	34,185
Impairment of tangible fixed assets	55,800
Impairment of goodwill	55,603
Increase in debtors	(9,435)
Decrease in creditors	<u>(12,301)</u>
Total net cash inflow from operating activities	<u>35,936</u>



**GLID Wind Farms TopCo Limited**  
**(formerly Centrica Renewable Holdings Limited)**

**Notes to the financial statements for the period ended 31 December 2009 (continued)**

**21 Reconciliation to net debt**

	At 31 December 2009 £'000
Net debt at 25 September 2008	-
Borrowings acquired with subsidiaries	(307,861)
Cash acquired with subsidiaries	25
Increase in cash in hand and at bank	29,505
Increase in borrowings since acquisition	(83,757)
<b>Net debt at 31 December 2009</b>	<b><u>(362,088)</u></b>

	At 25 September 2008 £'000	Acquisitions £'000	Cash flow £'000	At 31 December 2009 £'000
Cash in hand and at bank	-	25	29,605	29,630
Overdrafts	-	-	(100)	(100)
Debt due within 1 year	-	(307,861)	269,546	(38,315)
Debt due after 1 year	-	-	(353,303)	(353,303)
<b>Net debt</b>	<b>-</b>	<b>(307,836)</b>	<b>(54,252)</b>	<b><u>(362,088)</u></b>

**Movement in borrowings**

	Period ended 31 December 2009 £'000	£'000
Debt due within 1 year		
Loans from Centrica group acquired with subsidiaries	307,861	
Repayment of loans from Centrica group	(269,546)	
		38,315
Debt due after 1 year		
New secured bank loan	270,879	
New debentures	82,424	
		353,303
<b>Movement in borrowings</b>		<b><u>391,618</u></b>

# GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited)

## Notes to the financial statements for the period ended 31 December 2009 (continued)

### 22 Financial instruments

In accordance with Statutory Instrument 2008/410 of the Companies Act 2006, as the Company has not implemented FRS 26 (Financial Instruments Recognition and Measurement), the fair values of the Company's and the Group's financial instruments are analysed below

	Group 2009 £'000	Company 2009 £'000
<b>Financial instruments</b>		
Foreign exchange derivatives - assets	6	-
Foreign exchange derivatives - liabilities	(964)	-
Interest rate swaps	(19)	(19)

### 23 Capital commitments

Neither the Company, nor the Group had entered into any capital commitments for which provision has not been made at the end of the period

# GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited)

## Notes to the financial statements for the period ended 31 December 2009 (continued)

### 24 Acquisitions

The Company acquired three subsidiaries during the period for a total consideration of £229,000,000, which was discharged partly in cash (£179,000,000) and partly in shares (£50,000,000). The total adjustments required to the book values of the assets and liabilities of the companies acquired in order to present the net assets of those companies at fair values in accordance with group accounting principles were £193,668,000. Goodwill arising on the acquisitions was in aggregate £55,603,000 (see note 9).

#### Acquisition of Glens of Foudland Wind Farm Limited

On 30 September 2008 the Company acquired 100% of the ordinary share capital of Glens of Foudland Wind Farm Limited for £50,000,000 from Centrica Renewable Energy Limited. This company is incorporated in England & Wales. The net assets acquired were as follows:

	Book value of net assets prior to acquisition £'000	Fair value adjustments £'000	Fair value of net assets on acquisition £'000
Tangible fixed assets	23,192	33,688	56,880
Cash	25	-	25
Creditors due in less than one year	(9,426)	-	(9,426)
Provisions	(6,641)	-	(6,641)
	<u>7,150</u>	<u>33,688</u>	<u>40,838</u>
Consideration:			
Shares issued in the Company			<u>50,000</u>
Goodwill on consolidation			<u>9,162</u>

#### Results of Glens of Foudland Wind Farm Limited

	Financial year to 31 December 2007 £'000	Period to acquisition on 25 September 2008 £'000	Period post acquisition to 31 December 2009 £'000
Turnover	5,158	4,230	10,008
Gross profit	3,655	3,086	8,016
Profit on ordinary activities before taxation	3,063	2,549	7,103
Tax on ordinary activities	(1,260)	291	(228)
Profit on ordinary activities after tax	<u>1,803</u>	<u>2,840</u>	<u>6,875</u>

# GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited)

## Notes to the financial statements for the period ended 31 December 2009 (continued)

### 24 Acquisitions (continued)

#### Acquisition of Inner Dowsing Wind Farm Limited

On 1 October 2008 the Company acquired 100% of the ordinary share capital of Centrica (IDW) Limited, a company incorporated in Scotland, for £86,000,000 from Centrica (Lincs) Limited (now known as Lincs Wind Farm Limited). Centrica (IDW) Limited was renamed Inner Dowsing Wind Farm Limited on 9 October 2009. The net assets acquired were as follows:

	Book value of net assets prior to acquisition £'000	Fair value adjustments £'000	Fair value of net assets on acquisition £'000
Tangible fixed assets	165,294	84,309	249,603
Debtors	-	-	-
Creditors due in less than one year	(156,763)	-	(156,763)
Provisions	(21,283)	-	(21,283)
	<u>(12,752)</u>	<u>84,309</u>	<u>71,557</u>
Consideration			
Cash			<u>86,000</u>
Goodwill on consolidation			<u>14,443</u>

#### Results of Inner Dowsing Wind Farm Limited

	Financial year to 31 December 2007 £'000	Period to acquisition on 25 September 2008 £'000	Period post acquisition to 31 December 2009 £'000
Turnover	-	4,209	36,800
Gross profit	-	3,044	22,545
(Loss) / profit on ordinary activities before taxation	(989)	1,428	17,656
Tax on ordinary activities	(7,726)	(4,442)	(5,042)
(Loss) / profit on ordinary activities after tax	<u>(8,715)</u>	<u>(3,014)</u>	<u>12,614</u>

# **GLID Wind Farms TopCo Limited** **(formerly Centrica Renewable Holdings Limited)**

## **Notes to the financial statements for the period ended 31 December 2009 (continued)**

### **24 Acquisitions (continued)**

#### **Acquisition of Lynn Wind Farm Limited**

On 1 October 2008 the Company acquired 100% of the ordinary share capital of Centrica (LW) Limited, a company incorporated in England & Wales, for £93,000,000 from Centrica Renewable Energy Limited. Centrica (LW) Limited was renamed Lynn Wind Farm Limited on 8 October 2009. The net assets acquired were as follows:

	Book value of net assets prior to acquisition £'000	Fair value adjustments £'000	Fair value of net assets on acquisition £'000
Tangible fixed assets	163,885	70,114	233,999
Debtors	-	8,650	8,650
Creditors due in less than one year	(157,229)	(932)	(158,161)
Provisions	(21,325)	(2,161)	(23,486)
	<u>(14,669)</u>	<u>75,671</u>	<u>61,002</u>
Consideration:			
Cash			<u>93,000</u>
<b>Goodwill on consolidation</b>			<u><u>31,998</u></u>

#### **Results of Lynn Wind Farm Limited**

	Financial year to 31 December 2007 £'000	Period to acquisition on 25 September 2008 £'000	Period post acquisition to 31 December 2009 £'000
Turnover	-	3,132	32,071
Gross profit	-	1,385	18,926
(Loss) / profit on ordinary activities before taxation	(1,042)	(178)	13,891
Tax on ordinary activities	(7,349)	(4,666)	(5,356)
(Loss) / profit on ordinary activities after tax	<u>(8,391)</u>	<u>(4,844)</u>	<u>8,535</u>

# GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited)

## Notes to the financial statements for the period ended 31 December 2009 (continued)

### 25 Related parties

Until 10 December 2009, the companies within the Group were wholly owned by Centrica plc and took advantage of the exemptions within FRS 8 "Related party disclosures" from disclosure of transactions with other Centrica Group companies. Except for any related party disclosures disclosed in the Centrica plc annual report and accounts 2008 and 2009, there were no other disclosable related party transactions during the period up to and including 10 December 2009.

From 11 December 2009, the companies in the Group have been wholly owned by GLID Wind Farms TopCo Limited and are taking advantage of the exemptions within FRS 8 from disclosure of transactions with other Group companies.

The Group has entered into transactions with related parties who are not members of the Group. This includes the sale of generated electricity and associated environmental credits to British Gas Trading Limited, a company in the Centrica group, and the purchase of management and support services from Centrica Renewable Energy Limited, another company in the Centrica group.

The Group has issued £82,424,000 of loan notes to its shareholder undertakings in the form of shareholder loans (note 15). Each shareholder undertaking was issued with £41,212,000 of loan notes. Total interest of £1,409,000 had accrued on these loan notes at 31 December 2009. The Group has loaned £18,946,000 to one of its shareholder undertakings, GLID Limited, and this, together with accrued interest of £22,000 was outstanding at 31 December 2009.

	Sales of generated electricity and associated environmental credits	(Purchase) of management and support services
	£'000	£'000
<b>Sale and purchase transactions with related parties from 11 to 31 December 2009 were:</b>		
British Gas Trading Limited	9,493	-
Centrica Renewable Energy Limited	-	(285)
	Amounts owed by related parties	Amounts owed (to) related parties
	£'000	£'000
<b>Balances outstanding with related parties at 31 December 2009 were:</b>		
British Gas Trading Limited	7,200	-
Centrica Renewable Energy Limited	2,775	(4,315)
GLID Limited	18,968	(41,917)
Boreas Holdings S à r l	-	(41,916)

## **GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited)**

### **Notes to the financial statements for the period ended 31 December 2009 (continued)**

#### **26 Ultimate shareholder undertakings**

Until 10 November 2009, the Company's immediate shareholder undertaking was Centrica Renewable Energy Limited, a company registered in England and Wales. In the period to 11 December 2009, the immediate shareholder undertakings were Centrica Renewable Energy Limited and GLID Limited, companies registered in England and Wales, each of which held a 50% interest in the Company.

Until 11 December 2009, the ultimate shareholder undertaking and controlling party was Centrica plc, a company registered in England and Wales.

Since 11 December 2009, the Company's immediate shareholder undertakings have been GLID Limited, a company registered in England and Wales, and Boreas Holdings S à r l, a company registered in Luxembourg, each of which holds a 50% interest in the Company.

GLID Limited's ultimate shareholder undertaking is Centrica plc, a company registered in England and Wales. Boreas Holdings S à r l is ultimately controlled by Société Générale, S A, a company registered in France. Société Générale, S A is acting through its subsidiary TCW Asset Management Company which controls the investment funds that are the direct shareholders of Boreas Holdings S à r l.

The consolidated financial statements of Centrica plc can be obtained from [www.centrica.com](http://www.centrica.com). The consolidated financial statements of Société Générale, S A may be obtained from the Company Secretary at Société Générale, S A, 75886 Paris Cedex 18, France.

#### **27 Post balance sheet event**

An industry review has identified certain issues associated with the widely used foundation design also used by the Lynn and Inner Dowsing wind farms. Since 31 December 2009, the Group has become aware that the majority of turbines at the Lynn and Inner Dowsing wind farms have experienced these issues and the directors have instigated a programme of investigation and monitoring which will assist with a decision on a rectification solution. If the issue is left unrectified then engineering analysis estimates that the useful life of the foundations could be materially shortened although the directors are of the opinion that the issue is unlikely to affect turbine operability in the short-term. A rectification solution is expected to be implemented in 2011.

Investigation and monitoring costs of around £2m are expected to be incurred by the end of 2010. A preliminary estimate indicates that the rectification costs could be up to £5m although, as the precise rectification solution has not yet been developed, a final costing cannot be confirmed.

The Company's lenders have confirmed to the Company that they reserve their position under the loan facility agreement should the seriousness of the issue be such that an event of default is determined to have occurred. Following due process, the directors do not consider that a default or an event of default has occurred in this regard.