

Registered Number: 06707821

GLID Wind Farms TopCo Limited

Annual report and financial statements
For the year ended 31 December 2013



GLID Wind Farms TopCo Limited

Annual report and Financial Statements for the year ended 31 December 2013

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GLID Wind Farms TopCo Limited

Directors' report for the year ended 31 December 2013

The Directors present their report and the audited consolidated financial statements of GLID Wind Farms TopCo Limited ("the Company") for the year ended 31 December 2013.

Principal activities

The principal activity of the Company and its subsidiaries ("the Group") is the operation of the Lynn, Inner Dowsing and Glens of Foudland wind farms.

Future developments

Commercial generation is expected to continue from the wind farms for the foreseeable future. Decisions will be made towards the end of the wind farms useful economic life, around 2027, to decide if the assets will be decommissioned or a repowering of the site will be undertaken.

As a ring fenced project financed assets, limited future developments are expected.

Financial risk management

GLID Wind Farms Topco Limited are required to make interest and capital repayments on 30th June and 31st December until final repayment in June 2024.

Interest rate swaps are in place covering seventy five percent of the interest rate exposure. The remaining twenty five percent is subject to variations and is calculated based on 6 month LIBOR.

The Group has access to a £15 million Working Capital Facility which can be drawn down as required.

The Company has provided a letter of support to each of its subsidiaries such that amounts owed to the parent company will only be requested subject to the subsidiaries being able to meet their liabilities as they fall due.

See the Strategic report for more detail.

Results and dividends

The results of the Group are set out on page 8. The consolidated loss for the financial year was £2,702,000 (2012: £9,964,000). The consolidated loss on ordinary activities before taxation for the year was £6,392,000 (2012: £14,344,000). No dividends were declared or paid for the year (2012: £nil).

Financial position

The financial position of the Company and of the Group is presented in the balance sheet on page 9. Shareholders' funds of the Company at 31 December 2013 were £56,237,000 (2012: £61,726,000), and of the Group were £61,335,000 (2012: £64,037,000).

Directors

The following served as directors during the year and up to the date of signing the financial statements:

	Date of appointment	Date of resignation
J-D W Borgeaud		
S P Redfern		
R M McCord	12 August 2013	
R M McCord (alternate to T Hinton)		12 August 2013
W Mouawad (alternate to J-D W Borgeaud & S R Hayden)	22 May 2013	
R F Tyreman (alternate to S P Redfern)	27 March 2013	
S R Hayden (alternate to J-D W Borgeaud & K A Talbot)		22 May 2013
S R Hayden (alternate to J-D W Borgeaud)	24 July 2013	
S R Hayden	22 May 2013	
T Hinton		12 August 2013
K A Talbot		22 May 2013

GLID Wind Farms TopCo Limited

Directors' report for the year ended 31 December 2013

Directors' and officers' liability

The Directors representing Centrica plc's interest are covered by Centrica plc's directors' and officers' liability insurance. The Directors from EIG Global Energy Partners and other officers relied on a specific insurance policy renewed annually by the Company. The insurances do not provide cover in the event that the Director is proved to have acted fraudulently or unlawfully.

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 year. Under that law the Directors have prepared the Group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group 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 the Group, 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 Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

GLID Wind Farms TopCo Limited

Directors' report for the year ended 31 December 2013 (continued)

Independent 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.

This Directors' report was approved by the Board on 29 May 2014.



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

Strategic report for the year ended 31 December 2013

The Directors present the strategic report of GLID Wind Farms Topco Limited for the year ended 31 December 2013.

Review of business

The subsidiary companies' wind farms operated satisfactorily during the year. Commercial generation and revenue were in line with expectations.

Key performance indicators ("KPIs")

The Directors formally convene bi-monthly board meetings. The board meetings' standing agenda items provide a review of key performance metrics covering health, safety and the environment, operations and maintenance activity and financial performance.

Management meetings are held in months when a board meeting does not take place to review similar reports to the standing agenda items for the board meetings.

The following KPIs are monitored in the monthly management accounts: generation, availability, load factor, revenue £/MWh and opex £/MWh.

To create the maximum renewable energy the Company monitors the effectiveness and efficiency of the wind farms on a regular basis and endeavours to achieve a high level of availability.

Principal risks and uncertainties

The Group's principal risk which is a known feature of wind farms is revenue certainty. Revenue is dependent on wind speeds and the related power curve which impact the potential generation of the wind farm. The availability is driven by the technical performance of the wind turbines and ancillary equipment, and the physical access to the wind farms. The power generated is sold under power purchase agreements which had fixed prices until September 2013. Since October 2013 the power price is dependent on market pricing subject to a cap and floor. Renewable Obligation Certificates ("ROCs"), and Levy Exemption Certificates ("LECs") awarded based on production have variable prices. Revenue uncertainty impacts the Group's ability to make loan repayments and to pay dividends when appropriate.

An industry review identified certain issues associated with the widely used foundation design that has been used on all turbines at the Lynn and Inner Dowsing wind farms. The board approved a rectification solution which was implemented in 2012 and 2013. Ongoing annual monitoring will take place but indications are that the rectification solution has addressed the issues.

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.

GLID Wind Farms TopCo Limited

Strategic Report for the year ended 31 December 2013 (continued)

Financial 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 2013 related to liquidity risk, counterparty credit risk, foreign exchange risk and electricity price risk all of which arise in the Group's normal course of business.

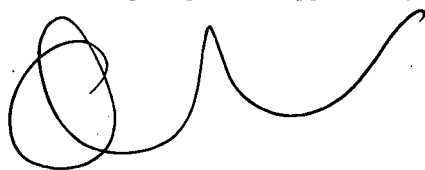
- The Group is project financed via a bank syndicate, the facilities of which are subject to a Loan Facility Agreement ("LFA"), of which the Group's subsidiaries are obligors.
- The Group is subject to certain ratio and covenant tests at June and December each year as well as needing to comply with other obligations in the LFA.
- In order to review available liquidity and early indication of any issues in respect of the LFA covenant compliance, cash forecasts for the Group are produced and reviewed monthly.
- 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 British Gas Trading Limited, a related Centrica group company.
- The Group is exposed to fluctuating exchange rates on some of its maintenance contracts. The Group's policy is to actively manage this risk by taking forward foreign exchange contracts to match with the forecast foreign exchange expenditures.
- In respect of electricity price risk, the Group has entered into power purchase agreements ("PPAs") with British Gas Trading Limited to sell power until September 2024, prices were fixed until September 2013, and since October 2013 power prices are linked to market prices subject to a cap and floor.

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

Going concern

The Directors believe that preparing the financial statements on the going concern basis is appropriate.

This Strategic report was approved by the Board on 29 May 2014.



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

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

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2013 and of the Group's loss and cash flows for the year 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.

This opinion is to be read in the context of what we say in the remainder of this report. ~

What we have audited

The Group's financial statements and Company financial statements (the "financial statements"), which are prepared by GLID Wind Farms TopCo Limited, comprise:

- Balance sheets as at 31 December 2013
- Consolidated Profit and loss account for the year then ended;
- Consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statement.

GLID Wind Farms TopCo Limited

Independent auditors' report to the members of GLID Wind Farms TopCo Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Group and Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group and Company's financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities set out on page 2, 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 ISAs (UK & 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 Group'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.

Sam Taylor (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

2014

GLID Wind Farms TopCo Limited

Consolidated profit and loss account for the year ended 31 December 2013

	Notes	2013 £000	2012 £000
Turnover	2	67,038	61,563
Cost of sales		(30,145)	(32,543)
Gross profit		36,893	29,020
Administrative expenses		(15,414)	(10,498)
Operating profit	3	21,479	18,522
Interest receivable and similar income	7	226	383
Interest payable and similar charges	7	(28,097)	(33,249)
Loss on ordinary activities before taxation		(6,392)	(14,344)
Tax on loss on ordinary activities	8	3,690	4,380
Loss for the financial year	18	(2,702)	(9,964)

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 material differences between the loss on ordinary activities before taxation and the loss for the year stated and their historical cost equivalents.

All activities relate to continuing operations.

The notes on pages 11 to 28 form part of these financial statements.

GLID Wind Farms TopCo Limited

Balance sheets as at 31 December 2013

		Group	Group	Company	Company
		2013	2012	2013	2012
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible fixed assets	9	-	-	-	-
Tangible fixed assets	10	392,891	415,489	-	-
Investment	11	-	-	126,700	126,700
		<u>392,891</u>	<u>415,489</u>	<u>126,700</u>	<u>126,700</u>
Current assets					
Debtors: amounts falling due within one year	12	44,408	43,855	251,825	272,996
Cash at bank and in hand		14,359	24,002	14,182	23,872
		<u>58,767</u>	<u>67,857</u>	<u>266,007</u>	<u>296,868</u>
Creditors - amounts falling due within one year	13	(53,587)	(60,064)	(47,843)	(54,947)
Net current assets		<u>5,180</u>	<u>7,793</u>	<u>218,164</u>	<u>241,921</u>
Total assets less current liabilities		<u>398,071</u>	<u>423,282</u>	<u>344,864</u>	<u>368,621</u>
Creditors - amounts falling due after more than one year	14	(288,627)	(306,895)	(288,627)	(306,895)
Provisions for liabilities and charges	16	(48,109)	(52,350)	-	-
Net assets		<u>61,335</u>	<u>64,037</u>	<u>56,237</u>	<u>61,726</u>
Capital and reserves					
Called up share capital	17	500	500	500	500
Profit and loss account	18	60,835	63,537	55,737	61,226
Total shareholders funds	19	<u>61,335</u>	<u>64,037</u>	<u>56,237</u>	<u>61,726</u>

The notes on pages 11 to 28 form part of these financial statements.

The financial statements on pages 8 to 28 were approved and authorised for issue by the Board of Directors on 29 May 2014 and were signed on its behalf by:



Director

Richard McCord

GLID Wind Farms TopCo Limited

Consolidated cash flow statement for the year ended 31 December 2013

		2013	2012
	Notes	£000	£000
Net cash inflow from operating activities	20	49,462	43,743
Returns on investments and servicing of finance			
Interest received		97	404
Interest paid		(25,294)	(17,085)
Net cash outflow from returns on investments and servicing of finance		(25,197)	(16,681)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(5,482)	(18,824)
Net cash outflow for capital expenditure and financial investment		(5,482)	(18,824)
Net cash inflow before use of liquid resources and financing		18,783	8,238
Management of liquid resources			
Increase in deposits with Centrica group undertakings		-	1,206
Net cash outflow from management of liquid resources		-	1,206
Financing			
Increase in borrowings	21	-	6,700
Decrease in borrowings	21	(28,426)	(18,145)
Net cash outflow from financing		(28,426)	(11,445)
Decrease in net cash		(9,643)	(2,001)

The notes on pages 11 to 28 form part of these financial statements.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013

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.

Accounting policies have been applied consistently, other than where new policies have been adopted.

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 2013. All intra-group transactions and profits are eliminated in full on consolidation.

Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the term of the relevant lease.

Tangible fixed assets

Tangible fixed assets are included in the balance sheet at cost, less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged on all fixed assets at rates calculated to write off the cost of each asset less the residual value 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

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

Notes to the consolidated financial statements for the year ended 31 December 2013 (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 and any gains / losses are recognised in the profit and loss account.

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 available 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.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

1 Principal accounting policies (continued)

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 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.

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 available 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.

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).

2 Turnover

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

3 Operating profit

The operating profit stated after charging:

	2013	2012
	£000	£000
Depreciation of tangible fixed assets (note 10)	26,175	26,257
Operating leases - other	11	-
	<u>26,186</u>	<u>26,257</u>

Auditors' remuneration for the audit of UK GAAP statutory financial statements was £56,000 (2012: £59,500). £19,000 (2012: £20,400) relates to fees for the audit of the Company and the consolidated financial statements, and £37,000 (2012: £39,100) relates to the audit of the Company's subsidiaries.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

4 Directors' emoluments

The aggregate emoluments paid to directors in respect of their qualifying services is £nil (2012: £nil). GLID Wind Farm TopCo Limited is a jointly controlled entity and the directors are nominated by the joint venturers. Accordingly no emoluments are paid for their services to the company.

5 Employee information

The Group and the Company have no employees and no staff costs (2012: £nil).

6 Losses of holding company

A loss of £5,489,000 (2012: £8,535,000) is dealt with in the financial statements of GLID Wind Farms TopCo Limited. The loss on ordinary activities before taxation was £7,156,000 (2012: £11,305,000).

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.

7 Interest and similar items

Interest receivable and similar income

	2013 £000	2012 £000
Interest receivable from Centrica group undertakings	129	148
Interest receivable on cash balances	97	235
Total interest receivable and similar income	226	383

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

	2013 £000	2012 £000
Interest payable on bank loans and overdrafts (note 15)	15,432	16,985
Interest payable on shareholders' loans (note 14)	12,205	11,530
Amortisation of issue costs of bank loan (note 15)	-	4,330
Unwinding of discount on abandonment provision (note 16)	460	404
Total interest payable and similar charges	28,097	33,249

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

8 Tax on loss on ordinary activities

	2013 £000	2012 £000
(a) Analysis of tax charge in the year		
The tax charge comprises:		
Current tax:		
United Kingdom corporation tax at 23.25% (2012 24.5: %)	-	-
Total current tax	-	-
Deferred tax		
Effect of change of tax rates	(3,775)	(2,545)
Origination and reversal of timing differences (note 16)	85	(1,835)
Total tax on loss on ordinary activities	<u>(3,690)</u>	<u>(4,380)</u>

(b) Factors affecting the tax charge for the year

The tax assessed for the year differs from that calculated at the standard rate of corporation tax in the UK (23.25%) (2012: 24.5%). The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before taxation	<u>(6,392)</u>	<u>(14,344)</u>
Tax credit on loss on ordinary activities at standard UK corporation tax rate of 23.25% (2012: 24.5%)	(1,486)	(3,515)
Effects of:		
Depreciation on Non Qualifying assets	1,571	1,681
Depreciation in excess of capital allowances	(436)	1,485
Timing differences	<u>351</u>	<u>349</u>
Tax charge for the year	<u>-</u>	<u>-</u>

The main rate of corporation tax was reduced from 26% to 24% from 1 April 2012 and to 23% from 1 April 2013. Further reductions to reduce the rate to 21% from 1 April 2014 and to 20% by 1 April 2015 were substantively enacted in Finance Act 2013 on 2 July 2013 and have been reflected within these financial statements.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

9 Intangible assets

Group	Goodwill £000
Cost	
At 1 January 2013	55,603
Additions	-
At 31 December 2013	55,603
Accumulated amortisation and impairment charges	
At 1 January 2013	55,603
Amortisation	-
At 31 December 2013	55,603
Net book value	
At 31 December 2013	-
At 31 December 2012	-

The goodwill arose on the acquisition of the three subsidiary undertakings. 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 in the prior year. A re-assessment was carried out for the current year resulting in no change to the impairment.

The Company had no (2012: nil) intangible fixed assets at any time in the year.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

10 Tangible assets

Group	Plant and machinery £000	Decommissioning asset £000	Total £000
Cost			
At 1 January 2013	560,645	21,346	581,991
Additions	4,588	-	4,588
Revisions to decommissioning liability (note 16)	-	(1,011)	(1,011)
At 31 December 2013	565,233	20,335	585,568
Accumulated depreciation and impairment charges			
At 1 January 2013	161,692	4,810	166,502
Depreciation charge for the year	25,230	945	26,175
At 31 December 2013	186,922	5,755	192,677
Net book value			
At 31 December 2013	378,311	14,580	392,891
At 31 December 2012	398,953	16,536	415,489

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 accumulated depreciation and impairment charge includes an impairment charge in 2009 to reflect the reduction in the net realisable value of the tangible fixed assets due to a decline in forward power prices. A full impairment assessment has been performed in 2013 with the current carrying value of the tangible fixed assets being determined appropriate.

Included in plant and machinery there are £4,115,033 (2012: £3,568,473) of assets which are not being depreciated since they relate to assets under the course of construction. Additions of £4,115,033 (2012: £3,568,473) in relation to assets under the course of construction were incurred in the year. Depreciation will commence on these assets once construction is completed and designed certification is achieved as this is when the assets are deemed to be ready for their intended use.

The Company had no (2012: nil) tangible fixed assets at any time in the year.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

11 Investment

	Investment in subsidiaries
Company	£000
Cost	
At 1 January 2013 and 31 December 2013	<u>229,000</u>
Impairment	
At 1 January 2013	102,300
Impairment	<u>-</u>
At 31 December 2013	<u>102,300</u>
Net book value	
At 31 December 2013	<u>126,700</u>
At 31 December 2012	<u>126,700</u>

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 current net book value reflects the impairment charge in the year ending 31 December 2009 due to the decline in forward power prices.

The Directors believe that the carrying value of the investments is supported by their underlying net assets.

At 31 December 2013, the Company held interests in the issued share capital of the following undertakings, all of which have been consolidated in these financial statements:

Name	Country of incorporation	Class of share capital held	Proportion of share capital held	Nature of business
Glens of Foudland Wind Farm Limited	England & Wales	Ordinary	100%	Operation of an onshore wind farm
Lynn Wind Farm Limited	England & Wales	Ordinary	100%	Operation of an offshore wind farm
Inner Dowsing Wind Farm Limited	Scotland	Ordinary	100%	Operation of an offshore wind farm

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

12 Debtors: amounts falling due within one year

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Amounts owed by Group undertakings	-	-	230,575	251,703
Amounts owed by Centrica group undertakings	21,153	21,024	21,153	21,024
Other debtors	3	575	30	194
Prepayments and accrued income	23,252	22,256	67	75
	<u>44,408</u>	<u>43,855</u>	<u>251,825</u>	<u>272,996</u>

Part of the accrued income balance at 31 December 2013 was subject to the terms of the Power Purchase Agreement (note 26).

Within the amounts owed by Centrica group undertakings is a loan from the Company to one of the immediate parent undertakings, GLID Limited, of £20,974,000 (2012: £20,974,000), together with accrued interest of £179,000 (2012: £50,000). The loan is unsecured and repayable on demand, accruing interest at LIBOR for the interest period.

The amounts owed by Group undertakings are repayable on demand and may be repaid to the Company at any time without penalty. The rate of interest is 9% per annum.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

13 Creditors – amounts falling due within one year

	Group	Group	Company	Company
	2013	2012	2013	2012
	£000	£000	£000	£000
Bank loans and overdrafts (note 15)	22,260	32,419	22,260	32,419
Trade creditors	231	259	-	21
Amounts owed to parent undertakings	24,592	22,126	24,592	22,126
VAT creditor	1,731	164	802	-
Accruals and deferred income	4,773	5,096	189	381
	<u>53,587</u>	<u>60,064</u>	<u>47,843</u>	<u>54,947</u>

Bank loans consist of a letter of credit, working capital loan and the portion of the term loan that is due within one year. (see note 15).

Amounts owed to parent undertakings consist of £24,592,000 (2012: £22,126,000) which relates to loan interest payable at a rate of 9%. The loan amount is repayment on demand.

14 Creditors – amounts falling due after more than one year

	Group	Group	Company	Company
	2013	2012	2013	2012
	£000	£000	£000	£000
Bank loans (note 15)	206,203	224,471	206,203	224,471
Amounts owed to parent undertakings (note 15)	82,424	82,424	82,424	82,424
	<u>288,627</u>	<u>306,895</u>	<u>288,627</u>	<u>306,895</u>

Maturity of financial liabilities

	2013	2012
	£000	£000
In more than one year, but not more than two years	17,808	18,261
In more than two years, but not more than five years	58,280	54,923
In more than five years	<u>212,539</u>	<u>233,711</u>
	<u>288,627</u>	<u>306,895</u>

Bank loans consist of the term loan (see note 15). The interest rate payable on the bank loans accrues at a floating rate of a 3% margin, plus LIBOR, plus Lenders Mandatory cost. In accordance with the Loan Facility Agreement 75% of the interest exposure is covered by an interest rate swap at 3.9%. Interest and principal payments are due on 30 June and 31 December each year until final repayment in June 2024. The Lenders have a comprehensive security package including a charge over the shares and assets of the Group and the ability to step into the project through direct agreements with contractors.

Amounts owed to parent undertakings consist of £41,212,000 (2012: £41,212,000) of loan notes (see note 15) issued to each of the immediate parent undertakings in the form of shareholder loans.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

15 Bank and other borrowings

	Group	Group	Company	Company
	2013	2012	2013	2012
	£000	£000	£000	£000
Due within 1 year or on demand:				
Bank loans and overdrafts (Secured)	22,260	32,419	22,260	32,419
Due after more than 1 year:				
Bank loans (Secured)	206,203	224,471	206,203	224,471
Debenture loans (unsecured)	82,424	82,424	82,424	82,424
Total borrowings	310,887	339,314	310,887	339,314

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. Repayments of £18,261,000 are due within 1 year (2012: £16,694,000).
- 2) a revolving credit working capital facility of up to £15,000,000 until 31 May 2024. This facility was drawn £1,300,000 at 31 December 2013 (2012: £6,700,000).
- 3) a revolving letter of credit facility of up to £35,000,000 until 31 May 2024. The loan value was £2,699,008 at 31 December 2013 (2012: £9,024,540). This amount is repayable on demand.

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. A commitment fee is payable on undrawn working capital and letter of credit facilities at the rate of 50 per cent per annum of the applicable margin.

The bank loans are secured on the assets and shares of the Company.

The debenture loans consist of loan notes issued to each of the parent undertakings in the form of a parent loan. Each parent 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.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

16 Provisions for liabilities and charges

	Deferred taxation £000	Abandonment provision £000	Total £000
At 1 January 2013	28,840	23,510	52,350
Additions/revisions	-	(1,011)	(1,011)
Unwind of discounting	-	460	460
Profit and loss charge	(3,690)	-	(3,690)
At 31 December 2013	25,150	22,959	48,109

The Company had no (2012: nil) provisions for liabilities and charges at any time in the year.

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 1.9% (2012: 1.9%) for Lynn and Inner Dowsing, and 2.2% (2012: 2.1%) for Glens of Foudland. The assumed rate of inflation is 2.0% (2012: 2.5%).

Deferred taxation

	At 1 January 2013 £000	Profit and loss charge / (credit) £000	At 31 December 2013 £000
Deferred corporation tax			
- accelerated capital allowances	30,444	(3,597)	26,847
- other timing differences	(1,604)	(93)	(1,697)
	28,840	(3,690)	25,150

Deferred corporation tax provision/(asset) at 20% (2012: 25%) is analysed as follows:

	Provided		Unprovided	
	At 31 Dec 13 £000	At 31 Dec 12 £000	At 31 Dec 13 £000	At 31 Dec 12 £000
Deferred corporation tax				
- accelerated capital allowances	26,847	30,444	-	-
- other timing differences	(1,697)	(1,604)	(141)	(163)
	25,150	28,840	(141)	(163)

There is an unprovided deferred tax asset of £141,000 (2012: £163,000) in the Company and the Group in respect of losses carried forward.

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

17 Called up share capital

Company and Group	2013 £000	2012 £000
Allotted and fully paid		
500,000 ordinary shares of £1 each (2012: 500,000 ordinary shares of £1 each)	<u>500</u>	<u>500</u>

18 Profit and loss account

	Profit and loss reserve account £000
Group	
At 1 January 2013	63,537
Loss for the financial year	<u>(2,702)</u>
At 31 December 2013	<u>60,835</u>
	Profit and loss reserve accounts £000
Company	
At 1 January 2013	61,226
Loss for the financial year	<u>(5,489)</u>
At 31 December 2013	<u>55,737</u>

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

19 Reconciliation of movements in shareholders' funds

	Group 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Opening balance	64,037	74,001	61,726	70,261
Loss for the year	<u>(2,702)</u>	<u>(9,964)</u>	<u>(5,489)</u>	<u>(8,535)</u>
Closing balance	<u>61,335</u>	<u>64,037</u>	<u>56,237</u>	<u>61,726</u>

20 Cash flow from operating activities

	2013 £000	2012 £000
Operating profit	21,479	18,522
Depreciation of tangible fixed assets	26,175	26,257
(Increase) / decrease in debtors	(432)	1,383
Increase / (decrease) in creditors	<u>2,240</u>	<u>(2,419)</u>
Total net cash inflow from operating activities	<u>49,462</u>	<u>43,743</u>

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

21 Reconciliation to net debt

	2013 £000	2012 £000
Net debt at beginning of year	(315,312)	(324,756)
Decrease in cash in hand and at bank	(9,643)	(2,001)
Decrease in borrowings	<u>28,426</u>	<u>11,445</u>
Net debt at 31 December	<u>(296,529)</u>	<u>(315,312)</u>

	At 31st December 2012 £000	Cash flow £000	Other non cash changes £000	At 31st December 2013 £000
Cash in hand and at bank	24,002	(9,643)	-	14,359
Debt due within 1 year	(32,419)	28,426	(18,267)	(22,260)
Debt due after 1 year	(306,895)	-	18,267	(288,628)
Net debt	<u>(315,312)</u>	<u>18,783</u>	<u>-</u>	<u>(296,529)</u>

	2013 £000	2012 £000
Debt due within 1 year:		
Repayment of term loan principal amounts	(16,700)	(16,794)
(Decrease)/increase in working capital facility draw down	(5,400)	6,700
Decrease in letter of credit facility	<u>(6,326)</u>	<u>(1,351)</u>
Movement in borrowings	<u>(28,426)</u>	<u>(11,445)</u>

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (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 2013 £000	Group 2012 £000	Company 2013 £000	Company 2012 £000
Financial instruments				
Foreign exchange derivatives - assets	-	-	-	-
Foreign exchange derivatives - liabilities	-	(564)	-	-
Interest rate swaps	(11,071)	(22,540)	(11,071)	(22,540)

Foreign exchange hedges have a fixed maturity and fixed rate so the uncertainty is the mark to mark adjustment based on actual exchange rate when the hedges mature. Interest swaps are in place in respect of 75% of interest payable for the duration of the bank loan.

23 Operating lease commitments

At 31 December 2013 the Company had non-cancellable operating lease commitments for the following year other than land and buildings as follows:

	Offshore Vessels	
	2013 £000	2012 £000
Expiring:		
Within one year	-	-
Between two to five years	516	-
After five years	-	-
Total	516	-

24 Contingent liabilities

A current dispute between the Company and a contractor relating to the wind farms includes a claim by the contractor (consequential on the determination of the main issues in dispute) for the reimbursement of the monies paid under the performance bond. The Directors believe the probability of the claim succeeding is remote and in any event do not believe the outcome would be material to the financial statements.

25 Capital commitments

The Group had no capital commitments for which provision has not been made (2012: £ Nil).

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

26 Related parties

From 11 December 2009, the subsidiaries 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 (2012: £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 (2012: £41,212,000) of loan notes. Total interest of £24,332,000 had accrued on these loan notes at 31 December 2013 (2012: £22,126,000). The Group has loaned £20,974,000 (2012: £20,974,000) to one of its shareholder undertakings, GLID Limited, and this, together with accrued interest of £179,000 was outstanding at 31 December 2013 (2012: £50,000).

The Directors received no emoluments during the year, as they were employed by other group companies of their respective ultimate parent companies. No recharges of emoluments are made to the company as it is not possible to accurately apportion them and accordingly no amounts are included in the financial statements for these individuals.

	Sales of generated electricity and associated environmental credits		(Purchase) of management and support services	
	2013	2012	2013	2012
Sale and purchase transactions with related parties for the year were:	£000	£000	£000	£000
British Gas Trading Limited	46,910	42,801	-	-
Centrica Renewable Energy Limited	-	-	-	-
	Amounts owed by related parties	Amounts owed by related parties	Amounts owed (to) related parties	Amounts owed by / (to) related parties
	2013	2012	2013	2012
	£000	£000	£000	£000
Balances outstanding with related parties at 31 December were:				
British Gas Trading Limited	12,980	11,995	-	-
Centrica Renewable Energy Limited	-	-	(803)	(383)
GLID Limited	21,153	21,024	(53,378)	(52,106)
Boreas Holdings S.à.r.l.	-	-	(53,378)	(52,106)

GLID Wind Farms TopCo Limited

Notes to the consolidated financial statements for the year ended 31 December 2013 (continued)

28 Ultimate parent undertakings

The Company's immediate parent undertakings are 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 parent undertaking is Centrica plc, a company registered in England and Wales. Boreas Holdings S.à.r.l. is a Luxembourg limited liability company 100% owned by funds managed and/or advised by EIG Management Company, LLC, a US (Delaware) limited liability company.

The consolidated financial statements of Centrica plc may be obtained from www.centrica.com. The consolidated financial statements of Boreas Holdings S.à.r.l are available by request of its Administrative Agent at 1700 Pennsylvania Ave, NW, Suite 800, Washington, DC 20006, USA.