

**OPW HOLDCO LIMITED****Financial Statements****FOR THE YEAR ENDED 31 DECEMBER 2014**

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# **OPW HOLDCO LIMITED**

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# **OPW HOLDCO LIMITED**

## **COMPANY INFORMATION**

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**Directors** Mr D van Alphen (resigned 12 February 2015)  
Mrs A Roshier (appointed 1 January 2014)  
Mr E J van de Brake (appointed 12 February 2015)

**Company secretary** Mr B A French

**Registered number** 07254492

**Registered office** Beeston Lodge  
Beeston Lane  
Spixworth  
Norwich  
Norfolk  
NR10 3TN

**Independent auditors** KPMG LLP  
Chartered Accountants & Statutory Auditor  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AP

# **OPW HOLDCO LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their strategic report and financial statements for the year ended 31 December 2014.

### **Business review**

The company had a successful year, with performance and electricity generation from the Walney offshore windfarm in line with the group forecast assumptions. OPW HoldCo Limited's 24.8% share of the generation was 358GW. The company generated turnover of £42.038 million (restated 2013: £41.912 million) and made an operating profit of £10.157 million (restated 2013: £12.247m).

### **Principal risks and uncertainties**

The company's activities expose it to a number of financial risks.

#### **Credit risk**

The company's credit risk is primarily attributable to recoverability of its debtors, including trade debtors.

#### **Liquidity risk**

In order to maintain liquidity and ensure that sufficient funds are available to meet its financial commitments, the company relies on extensive cash flow forecasting.

The company uses the cash flow forecasts to ensure that both the principal and interest payments in respect of its debt position are covered by sufficient incoming cash flows.

#### **Interest risk**

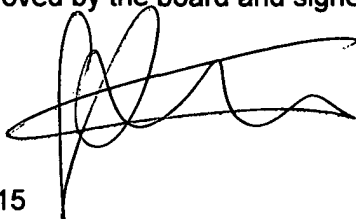
The company uses derivatives, including interest rate swaps, to manage its exposure to interest rate movements on its bank borrowings.

#### **Volume and price risk**

The company has an agreement with the company in which it holds an investment, Walney (UK) Offshore Wind Farms Limited, to purchase electricity at an indexed fixed annual price irrespective of volume. The company also has an agreement with its customer to sell the electricity at variable prices linked to the LEBA (London Energy Brokers' Association) Index.

This report was approved by the board and signed on its behalf.

Mr E J van de Brake  
Director



Date: 26 August 2015

# **OPW HOLDCO LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

### **Principal activities**

The principal activities of the company are as a holding company for an investment in Walney (UK) Offshore Windfarms Limited, and the resale of its share of the electricity generated by this undertaking.

### **Results**

The profit for the year, after taxation, amounted to £10,912,000 (2013 - £16,092,000).

### **Directors**

The directors who served during the year were:

Mr D van Alphen (resigned 12 February 2015)  
Mrs A Roshier (appointed 1 January 2014)

### **Matters covered in the Strategic Report**

Details of the company's financial risk management objectives and policies, including its use of financial instruments and the key risks to which it is exposed, are included in the Strategic Report.

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditors**

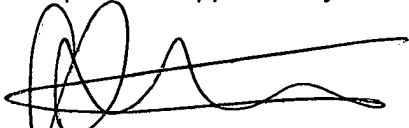
Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

# **OPW HOLDCO LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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This report was approved by the board and signed on its behalf.



Mr E J van de Brake  
Director

Date: 26 August 2015

Beeston Lodge  
Beeston Lane  
Spixworth  
Norwich  
Norfolk  
NR10 3TN

# **OPW HOLDCO LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPW HOLDCO LIMITED**

We have audited the financial statements of OPW Holdco Limited for the year ended 31 December 2014, set out on pages 8 to 21. 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).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit 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.

### **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 statements.

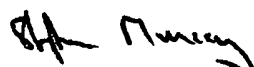


## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OPW HOLDCO LIMITED

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Stephen Muncey (Senior Statutory Auditor)

for and on behalf of

**KPMG LLP**

Chartered Accountants

Statutory Auditor

Botanic House

100 Hills Road

Cambridge

CB2 1AP

Date: 2 September 2015

# OPW HOLDCO LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

		2014 £000	*As restated 2013 £000
	Note		
Turnover	1,2	42,038	41,912
Cost of sales		(29,360)	(27,145)
<b>Gross profit</b>		<b>12,678</b>	<b>14,767</b>
Administrative expenses		(2,521)	(2,520)
<b>Operating profit</b>	3	<b>10,157</b>	<b>12,247</b>
Income from other participating interests		20,159	24,371
Interest receivable and similar income		155	73
Interest payable and similar charges	6	(19,613)	(20,426)
<b>Profit on ordinary activities before taxation</b>		<b>10,858</b>	<b>16,265</b>
Tax on profit on ordinary activities	7	54	(173)
<b>Profit for the financial year</b>	13	<b>10,912</b>	<b>16,092</b>

All amounts relate to continuing operations.

\* As restated, see Note 14

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account. Therefore, no Statement of Total Recognised Gains and Losses has been prepared.

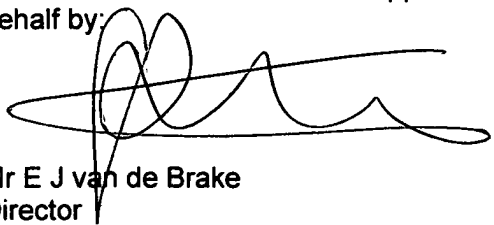
The notes on pages 10 to 21 form part of these financial statements.

**OPW HOLDCO LIMITED**  
**REGISTERED NUMBER: 07254492**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2014**

			2014	*As restated
	Note	£000	£000	2013
			£000	£000
<b>Fixed assets</b>				
Investments	8		282,274	282,274
<b>Current assets</b>				
Debtors	9	3,981		8,485
Cash at bank		24,807		25,332
		<u>28,788</u>		<u>33,817</u>
<b>Creditors: amounts falling due within one year</b>	10	<u>(34,624)</u>		<u>(37,196)</u>
<b>Net current liabilities</b>			<u>(5,836)</u>	<u>(3,379)</u>
<b>Total assets less current liabilities</b>			<u>276,438</u>	<u>278,895</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(257,128)</u>	<u>(270,497)</u>
<b>Net assets</b>			<u>19,310</u>	<u>8,398</u>
<b>Capital and reserves</b>				
Called up share capital	12		15,413	15,413
Profit and loss account	13		3,897	(7,015)
<b>Shareholders' funds</b>	15		<u>19,310</u>	<u>8,398</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
 Mr E J van de Brake  
 Director

Date: 26 August 2015

The notes on pages 10 to 21 form part of these financial statements.

\* As restated, see Note 14.

# **OPW HOLDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **1. Accounting Policies**

#### **1.1 Basis of preparation of financial statements**

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

#### **1.2 Going concern**

At the year end the company had net current liabilities of £5,836,000 (restated 2013 - £3,379,000) including cash balances of £24,807,000 (2013 - £25,332,000). Net assets at the same date were £19,310,000 (2013 - £8,398,000). The financial forecasts prepared by the directors show that the company has the capacity to meet its interest and debt repayment obligations as scheduled for at least 12 months from the date of signature of these financial statements. The directors, therefore, consider it appropriate to prepare the financial statements on the going concern basis.

#### **1.3 Cash flow**

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

#### **1.4 Turnover**

Turnover comprises the income resulting from the resale of the company's share of electricity generated by Walney (UK) Offshore Windfarms Limited and the associated Renewable Obligation Certificates (ROCs) and is recognised exclusive of Value Added Tax and trade discounts. Income from the sale of power is recognised by the company when it is contractually entitled to receive it upon crystallisation of the electricity generated and supplied. Income from the sale of ROCs is recognised upon the issue of the certificates by Ofgem.

#### **1.5 Investments**

Investments in associates are held as fixed assets and are shown at cost less provision for impairment. The associate distributes dividends net of share issue and share premium payments which are adjusted for a number of elements such as bilateral shareholder settlement payments and consortium relief. Where the substance of the transaction is such that a net dividend has been received by its nature it is recorded as such in the financial statements. Adjustments are made to cost for elements which relate to contingent or deferred consideration payments.

# **OPW HOLDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **1. Accounting Policies (continued)**

#### **1.6 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

#### **1.7 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **1.8 Finance costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of the loans and facilities at a constant rate on the carrying amount.

#### **1.9 Loan issue costs**

Costs incurred in raising loan and working capital finance are offset against the gross proceeds and are recognised in the profit and loss account over the term of the funding to which they relate.

#### **1.10 Current and deferred taxation**

The charge for taxation is based on the result for the year. The charge also takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation on all timing differences. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise, based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised if their recovery is sufficiently certain.

# OPW HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 2. Turnover

An analysis of turnover by class of business is as follows:

	2014 £000	As restated 2013 £000
Electricity sold	<u>42,038</u>	<u>41,912</u>

All turnover arose within the European Union excluding the United Kingdom.

### 3. Operating profit

The operating profit is stated after charging/(crediting):

	2014 £000	2013 £000
Difference on foreign exchange	<u>-</u>	<u>25</u>

### 4. Auditor's remuneration

	2014 £000	2013 £000
Audit of the company's annual accounts	<u>10</u>	<u>44</u>

### 5. Staff costs

The company has no employees other than the directors, who did not receive any remuneration (2013 - £NIL).

### 6. Interest payable

	2014 £000	2013 £000
On bank loans and overdrafts	8,029	8,422
On other loans	2,336	2,756
Dividends paid on shares classed as debt	9,248	9,248
	<u>19,613</u>	<u>20,426</u>

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# OPW HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 7. Taxation

	2014 £000	As restated 2013 £000
UK corporation tax (credit)/charge on profit for the year	<u>(54)</u>	<u>173</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	2014 £000	As restated 2013 £000
Profit on ordinary activities before tax	<u>10,858</u>	<u>16,265</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	2,334	3,782
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,000	2,149
Adjustments to tax charge in respect of prior periods	(173)	-
Other short term timing difference	-	(93)
Exempt dividend income	(4,334)	(5,665)
Payment for consortium relief in respect of prior period	119	-
<b>Current tax (credit)/charge for the year (see note above)</b>	<u><u>(54)</u></u>	<u><u>173</u></u>

#### Factors that may affect future tax charges

Further reductions to the UK corporation tax rate were announced in the March 2014 budget. The main rate has been reduced to 21% for financial year 2014 and 20% for the financial year 2015. It was also announced in the July 2015 budget that the main rate will reduce to 19% for financial years from 2017 and 18% for financial years from 2020.

# OPW HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 8. Fixed asset investments

	Investment £000
<b>Cost or valuation</b>	
At 1 January 2014 and 31 December 2014	<b>282,274</b>
<b>Net book value</b>	
At 31 December 2014	<b>282,274</b>
At 31 December 2013	<b>282,274</b>

The investment relates to the company's 24.8% interest in the ordinary share capital of Walney (UK) Offshore Windfarms Limited, a company incorporated in the United Kingdom whose principal activity is the operation of an offshore wind farm.

Walney (UK) Offshore Windfarms Limited made a profit for the year ended 31 December 2014 of £1,500,000. At 31 December 2014 its aggregate share capital and reserves were £814,923,000. The company has assessed the value of the investment based on the projected cash flows over the life of investment, which has resulted in a recoverable amount in excess of the carrying value.

On 20 December 2010, the company entered into a Sale and Purchase Agreement (SPA) with Dong Energy Power (UK) Limited (DEP) for the purchase of 24.8% of the ordinary shares of Walney (UK) Offshore Windfarms Limited. On the same day the company and DEP entered into a Bilateral Shareholders' Agreement (SHA) to govern certain matters with respect to their shareholdings.

The SPA required the company to pay a premium for the shares which included an adjustment for certain events or variances in forecast costs impacting the performance of the associate. One of these forecast costs was in respect of the Insurance Premium. After negotiations a payment of £1,300,000 was made in 2013 as noted in the signed Supplemental Deed dated September 2013 (the Deed). This payment has been deemed to be a contingent consideration payment and the company's investment in its associate in 2013 was increased by £1,300,00.

In addition the Bilateral parties also acknowledged that one Shared Risk Event (SRE) had occurred in respect of the the project under the SHA which required an additional contingent consideration payment to be made in line with the SPA. The company's share of the increased capital expenditure of the project under the SRE was agreed in 2013 at £3,600,000 as noted in the Deed. Of this, £1,800,000 was paid and £1,800,000 accrued in the year ended 31 December 2013 with a corresponding increase in the company's investment in its associate. The second instalment of £1,800,000 was paid during the year ended 31 December 2014.



# OPW HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 9. Debtors

	2014 £000	As restated 2013 £000
Trade debtors	2,648	2,798
Amounts owed by group undertakings	122	111
Other debtors	24	983
Prepayments and accrued income	1,187	4,593
	<u>3,981</u>	<u>8,485</u>

### 10. Creditors: Amounts falling due within one year

	2014 £000	As restated 2013 £000
Amounts owed to ultimate shareholders	-	4
Bank loans and overdrafts	13,369	12,838
Trade creditors	4,651	2,919
Corporation tax	-	173
Accruals and deferred income	16,604	21,262
	<u>34,624</u>	<u>37,196</u>

# OPW HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 11. Creditors: Amounts falling due after more than one year

	2014 £000	As restated 2013 £000
Bank loans	180,063	193,432
Share capital treated as debt (Note 12)	77,065	77,065
	<u>257,128</u>	<u>270,497</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 12.

The bank loan was provided by a syndicate of five banks on 18 December 2012. The loan final maturity date is 31 December 2019 and is repayable in half yearly instalments, the first repayment fell due in June 2013. The interest margin for each period is 3.2% over LIBOR until 31 December 2017 and 4% over LIBOR thereafter. The LIBOR rate on eighty-one percent of the loan profile has been fixed by way of an interest rate swap at 2.048%. The remaining nineteen percent of the loan profile is based on floating six-month LIBOR.

Included in bank loans are £4,452,000 (2013 - £5,342,000) of issue costs offset against the loan balance and released to the profit and loss account over the term of the loan.

Included within the above are amounts falling due as follows:

	2014 £000	As restated 2013 £000
<b>Between one and two years</b>		
Bank loans	16,062	13,369
<b>Between two and five years</b>		
Bank loans	164,001	180,063

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £000	2013 £000
Repayable other than by instalments	77,065	77,065

# OPW HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 12. Share capital

	2014 £000	2013 £000
<b>Shares classified as capital</b>		
<b>Allotted, called up and fully paid</b>		
15,412,987 Ordinary shares of £1 each	<u>15,413</u>	<u>15,413</u>
<b>Shares classified as debt</b>		
<b>Allotted, called up and fully paid</b>		
77,064,925 Preference shares of £1 each	<u>77,065</u>	<u>77,065</u>

The company issued 77,064,925 preference shares at a nominal value of £1. These were issued to Ampere Holding 6 B V (30,825,970) and to OPW Midco Limited (46,238,955).

Based on the Articles of Association preference shares hold no voting rights at general meetings of the company.

The preference shares are redeemable on the winding up of the company or the decision of the directors with agreement of the shareholders.

A fixed cumulative preferential dividend at the rate of 12% per annum of the issue price shall accrue on each preference share on a daily basis from the issue date of that preference share and shall be paid quarterly in arrears.

### 13. Reserves

	Profit and loss account £000
At 1 January 2014 as previously stated	(7,015)
Profit for the financial year	<u>10,912</u>
At 31 December 2014	<u>3,897</u>

# OPW HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 14. Prior year adjustment

In the prior year's accounts, dividends receivable from the company's associate of £24,371,000, were incorrectly recorded within turnover. The comparative figures have been restated in the 2014 accounts to reclassify these amounts, reducing turnover and increasing income from other participating interests by £24,371,000.

In addition, in the year ended 31 December 2013, bank loan issue costs were classified as prepayments. These have been reclassified to be included within the bank loan payable balance in the 2014 accounts reducing 2013 prepayments and the bank loan balance by £5,342,000 from the amounts previously stated.

The adjustments have no effect on the company's loss on ordinary activities before taxation for 2013 or its net assets at 1 January or 31 December 2013.

### 15. Reconciliation of movement in shareholders' funds

	2014 £000	2013 £000
Opening shareholders' funds/(deficit)	8,398	(7,694)
Profit for the financial year	10,912	16,092
Closing shareholders' funds	<u>19,310</u>	<u>8,398</u>

# **OPW HOLDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **16. Contingent liabilities**

On 17 February 2011 OPW Holdco Limited entered in to a debenture in favour of Dong Energy Power (UK) Limited as Security Trustee. The debenture created a fixed and floating charge over the company's assets as security for borrowings and liabilities pursuant to various shareholder and supplementary agreements entered into on 20 December 2010 when OPW Holdco Limited purchased its shares in Walney (UK) Offshore Windfarms Limited. The debenture was assigned to Lloyds TSB Bank PLC as Security Trustee on 18 December 2012 as part of the company's refinancing.

OPW Holdco Limited has a contingent liability arising from an obligation to financially support its associate, Walney (UK) Offshore Windfarms Limited. This obligation derives from the Joint Shareholder Agreement dated 20 December 2010 as amended and restated on 18 December 2012, whereby the shareholders of WOWL each commit to support WOWL with funding pro-rata to their shareholding.

The Joint Shareholder Agreement states that Walney (UK) Offshore Windfarms Limited's operational expenditure will be met from its operating cash flow. However where this is not possible the shareholders are required to provide funding pro-rata to their shareholdings. Dong Energy Power (UK) Limited, as operational manager of Walney (UK) Offshore Windfarms Limited continuously reviews the capital requirements and also considers the amount of retained working capital required before distributions are made in each half year. Therefore the risk of shareholders having to provide funding to support operational or capital expenditure is considered to be very low.

The Joint Shareholders' Agreement between the shareholders of Walney (UK) Offshore Windfarms Limited provides that certain bilateral settlements between individual shareholders, arising under the Bilateral Shareholders' Agreements, can be recovered via the WOWL distribution process and the allotment of shares in WOWL pursuant to that process. The allotment premium paid for WOWL shares may therefore differ between the shareholders, depending on the settlement of bilateral shareholder obligations that have been factored into the distributions from time to time.

### **17. Other financial commitments**

The company has derivatives which are not included at fair value in the financial statements.

On 18 December 2012 the company entered into three interest rate swap contracts with 31 December 2026 maturity dates covering eighty-one percent of the company's senior loan borrowings. They contract the company to make fixed interest payments at a rate of 2.048% and receive floating interest LIBOR based receipts.

# **OPW HOLDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **18. Related party transactions**

The company entered into a current account agreement with its ultimate shareholders at incorporation which continued to be in place at the year end. At the year end the company owed £nil (2013 - £1,000) to Ampere Project Holdings 6 B V and £nil (2013 - £3,000) to Stichting Depository PGGM in respect of this agreement. The related expenses that were incurred on behalf of the company were at normal market prices and conditions as they originated from third party vendors and service suppliers.

During the year preference share dividends of £5,549,000 (2013 - £5,549,000) became payable to OPW Midco Limited. At the year end the company owed £9,963,000 (2013 - £11,249,000) to OPW Midco Limited in respect of unpaid preference share dividends, included within Accruals and deferred income. Also, at the year end the company was owed a current account balance of £59,000 (2013 - £56,000) by OPW Midco Limited. OPW Midco Limited is the company's immediate parent undertaking.

During the year preference share dividends of £3,699,000 (2013 - £3,699,000) became payable to Ampere Project Holdings 6 B V. At the year end the company owed £6,632,000 (2013 - £7,490,000) to Ampere Project Holdings 6 B V in respect of unpaid preference share dividends, included within Accruals and deferred income. Ampere Project Holdings 6 B V owns 40% of the ordinary share capital of OPW Topco Limited, which owns 100% of the ordinary share capital of OPW Midco Limited.

At the year end the company was owed a current account balance of £62,000 (2013 - £56,000) by OPW Topco Limited.

During the year the company purchased energy and ancillary goods and services from Walney (UK) Offshore Windfarms Limited of £29,360,000 (2013 - £27,528,000).

On 28 May 2014, the company acquired 496 £1 ordinary shares in Walney (UK) Offshore Windfarms Limited at a premium of £3,387,411 to offset against dividends receivable. On 28 November 2014, the company acquired a further 496 £1 ordinary shares at a premium of £803,661 to offset against dividends receivable as prescribed by the shareholder agreement. Of this additional investment, £1,800,000 had been accrued and included in additions to investments in the prior year (Note 8).

During May 2013, the company acquired 248 £1 ordinary shares in Walney (UK) Offshore Windfarms Limited at a premium of £609,000 to offset against dividends receivable. In November 2013, the company acquired a further 496 £1 ordinary shares at a premium of £3,997,000 to offset dividends receivable as prescribed by the shareholder agreement.

At the year end the company owed a balance of £4,533,000 (2013 - £2,868,000) to Walney (UK) Offshore Windfarms Limited.

# **OPW HOLDCO LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

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### **19. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is OPW Midco Limited by virtue of its 100% holding in the ordinary share capital of the company.

The parent undertaking of both the smallest and largest group of which the company is a member and consolidated financial statements are prepared is OPW Topco Limited by virtue of its 100% holding in the ordinary share capital of OPW Midco Limited. Copies of the consolidated financial statements can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

The ultimate parent undertaking and controlling party is Stichting Depositary PGGM, incorporated in the Netherlands, by virtue of its majority shareholding in the parent company, OPW Topco Limited.