Blackstone Edge Wind Farm Limited

Directors' report and financial statements
Registered number 07474312
3 month and 12 day period ended 31 March 2011

Contents

Directors' report

The directors (the "Directors") present their first Directors' report and audited financial statements for Blackstone Edge Wind Farm Limited (the "Company") for the 3 month and 12 day period ended 31 March 2011

Principal activities

The principal activity of the Company is the development of Blackstone Edge wind farm The Company was incorporated on 20 December 2010 The Company's first accounting reference period ending 31 December 2011 was shortened so as to end on 31 March 2011

During the period the Company acquired the consented assets of and rights to generate electricity at the Blackstone Edge wind farm for development from E ON UK Plc

Future developments

Implementation and construction of the wind farm is expected to commence in 2012, and the Company is expected to commence trading during 2013

Financial risk management

The group of companies of which the Company forms part has in place a risk management programme that seeks to limit adverse effects on the financial performance of the Company by monitoring levels of debt finance and the related finance costs The Company is not currently exposed to significant market, credit or liquidity risks

Economic risk

Renewable energy businesses are supported through the UK Government's renewable energy targets legislation Future amendment of such legislation may either benefit or detract from the Company's profitability and/or the viability of the construction of this wind farm The viability is also dependant on the availability of funds in order to construct this wind farm

Results and dividend

The loss for the financial period of £45,000 will be transferred to reserves The Directors do not recommend the payment of a dividend

Charitable and political donations

The Company made no political donations or incurred any political expenditure during the financial period There were no charitable donations made during the period

Directors

The Directors of the Company during the period and up to the date of signing the accounts were as follows

M J M Cox	(appointed 20 December 2010, resigned 22 December 2010)
E J Aikman	(appointed 22 December 2010)
S Hardman	(appointed 22 December 2010)
E Machiels	(appointed 22 December 2010)
Trusec Limited	(appointed 20 December 2010 resigned 22 December 2010)

Statement of disclosure of information to auditors

The Directors who held office at the date of approval of this Directors report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' report *(continued)*

Auditors

On 29 July 2011 the Company's members appointed KPMG LLP as first auditors of the Company in accordance with section 485 of the Companies Act 2006 KPMG LLP are expected to be deemed to be re-appointed as auditors of the Company at the end of the next period for appointing auditors in accordance with section 487 of the Companies Act 2006

On behalf of the board

E J Aikman
Director
12 September 2011

500 Pavilion Drive, Northampton Business Park,
Northampton, NN4 7YJ

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of Blackstone Edge Wind Farm Limited

We have audited the financial statements of Blackstone Edge Wind Farm Limited for the 3 month and 12 day period ended 31 March 2011 set out on pages 5 to 12 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

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

Respective responsibilities of Directors and auditor
As explained more fully in the Directors' responsibilities statement set out on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

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

Opinion on financial statements
In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters 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, 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

Ian Griffiths
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL
United Kingdom
13 September 2011

Profit and loss account

for the 3 month and 12 day period ended 31 March 2011

	Note	3 month and 12 day period ended 31 March 2011 £'000
Operating expenses		(20)
Operating loss		(20)
Interest payable and similar charges	5	(41)
Loss on ordinary activities before taxation		(61)
Taxation credit on loss on ordinary activities	6	16
Loss for the financial period	13	(45)

The Company has no recognised gains and losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented

In the period the results relate to continuing activities

Balance sheet

at 31 March 2011

	Note	2011 £'000
Fixed assets		
Tangible assets	7	175
Intangible assets	8	2,080
		2,255
Current assets		
Debtors	9	455
Deferred tax asset	10	16
		471
Creditors: amounts falling due within one year	11	(2,771)
Net current liabilities		(2,300)
Total assets less current liabilities		(45)
Net liabilities		(45)
Capital and reserves		
Called up share capital	12	-
Profit and loss account	13	(45)
Equity shareholders' deficit	14	(45)

The financial statements were approved by the board of Directors on 29 July 2011 and were signed on its behalf by

E J Aikman
Director

Company registration no. 07474312

Notes to the financial statements for the 3 month and 12 day period ended 31 March 2011

1 Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom A summary of the more important accounting policies which have been applied consistently throughout the period is set out below

Cash flow statement

The Company is a wholly-owned subsidiary of the group headed by Infinis Holdings (the "Infinis Holdings Group") and is included in the consolidated financial statements of Infinis Holdings Consequently, in accordance with paragraph 5 (a) of FRS 1 (revised 1996) the Company is not required to publish a cash flow statement

Related party exemption

As the Company is a wholly-owned subsidiary of the Infinis Holdings Group, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Infinis Holdings Group The consolidated financial statements of Infinis Holdings can be obtained from the address given in note 16

Going concern

The financial statements have been prepared on the going concern basis notwithstanding net liabilities of £45,000, which the Directors believe to be appropriate for the following reasons The Company is dependent for its working capital on funds provided to it by other companies in the Infinis Holdings Group, Infinis Holdings being the Company's ultimate parent company Infinis Holdings has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to ensure that such funds are made available by the Infinis Holdings Group as are needed by the Company The Directors consider that this should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis

Fixed assets

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows
Assets under construction are not depreciated until they are commissioned

Taxation

The credit for taxation is based on the loss for the period and takes into account deferred taxation because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax or a right to pay less tax at a future date at rates expected to apply when they crystallise based on current tax rates and law Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and any impairment losses

Amortisation

Amortisation is provided on a straight line basis to allocate the cost of the asset over its useful life The Directors expect the maximum useful life to be 25 years

Notes to the financial statements for the 3 month and 12 day period ended 31 March 2011 *(continued)*

2 Auditor's remuneration

	3 month and 12 day period ended 31 March 2011
	£'000
Auditor's remuneration	6

3 Operating loss

	3 month and 12 day period ended 31 March 2011
The operating loss is stated after charging	£'000
Amortisation	20

4 Directors' emoluments and employees

None of the Directors received any remuneration or benefits from the Company during the 3 month and 12 day period ended 31 March 2011 None of the Directors are employees of the Company nor are they remunerated for their services as a Director of the Company The Company had no employees during the period

5 Interest payable and similar charges

	3 month and 12 day period ended 31 March 2011
	£'000
Interest payable to group companies	41

Notes to the financial statements for the 3 month and 12 day period ended 31 March 2011 *(continued)*

6 Taxation

	3 month and 12 day period ended 31 March 2011
	£'000
United Kingdom corporation taxation at 28%	
Current tax on income in the period	-
Total current tax	-
Analysis of deferred tax credit	
Origination/reversal of timing differences	(17)
Adjustment in respect of rate change	1
Total deferred taxation credit	(16)
Total taxation credit	**(16)**

The tax assessed for the period is different from the standard rate of corporation tax in the UK (28%) The difference is explained below

	3 month and 12 day period ended 31 March 2011
	£'000
Loss on ordinary activities before taxation	(61)
Loss on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 28%	(17)
Effects of	
Losses arising in year recognised as a deferred tax asset	17
Current tax	-

The Budget on 23 March 2011 announced that the UK corporation tax rate will reduce from 28% to 23% over a period of four years from 1 April 2011 The first reduction in the UK corporation tax rate from 28% to 26% was substantively enacted on 29 March 2011 and will be effective from 1 April 2011 This rate change has therefore been reflected in the deferred tax figures of these financial statements

These changes in tax rates will reduce the Company's potential future tax charge accordingly

Notes to the financial statements for the 3 month and 12 day period ended 31 March 2011 *(continued)*

7 Tangible assets

	Assets under construction £'000
Cost	
As at 20 December 2010	-
Additions	175
As at 31 March 2011	175
Accumulated depreciation	
As at 20 December 2010	-
Charge for the period	-
As at 31 March 2011	-
Net book value as at 31 March 2011	175
Net book value as at 20 December 2010	-

8 Intangible assets

	Wind usage rights £'000
Cost	
As at 20 December 2010	-
Additions	2,100
As at 31 March 2011	2,100
Amortisation	
As at 20 December 2010	-
Charge for the period	20
As at 31 March 2011	20
Net book value as at 31 March 2011	2,080
Net book value as at 20 December 2010	-

Notes to the financial statements for the 3 month and 12 day period ended 31 March 2011 *(continued)*

9 Debtors

	2011
	£'000
Other debtors	455
	455

10 Deferred tax asset

	2011
	£'000
Losses arising in the period	16
	16

11 Creditors - amounts falling due within one year

	2011
	£'000
Amounts owed to group undertakings	2,771
	2,771

12 Called up share capital

	2011	2011
	Number	£'000
Allotted, uncalled and unpaid		
Ordinary shares of £1 each	1	-

13 Reserves

	Profit and loss account
	£'000
As at 20 December 2010	-
Loss for the financial period	(45)
As at 31 March 2011	(45)

Notes to the financial statements for the 3 month and 12 day period ended 31 March 2011 *(continued)*

14 Reconciliation of movements in equity shareholders' deficit

	2011
	£'000
Loss for the financial period	(45)
Opening equity shareholders' funds	-
Closing equity shareholders' deficit	**(45)**

15 Related parties

Terra Firma Investments (GP) 2 Limited, acting as a general partner of the six limited partnerships which constitute the Terra Firma Capital Partners II Fund, Terra Firma Capital Partners II L P – H and TFCP II Co-Investment 1 L P ("Terra Firma'), has the ability to exercise a controlling influence through the holding of shares in a parent company The Directors therefore consider Terra Firma to be a related party

Infinis Holdings has the ability to exercise a controlling influence over the Company and other subsidiary undertakings Consequently the Directors also consider these subsidiary undertakings to be related parties

16 Ultimate and immediate parent undertaking

The Directors regard TFCP Holdings Limited, a company registered in Guernsey, as the ultimate controlling parent entity

There were no transactions between the Company and TFCP Holdings Limited during the period

Blackstone Edge Wind Farm (Holdings) Limited is the immediate parent company

The head of the largest and smallest group for which consolidated financial statements are prepared and of which the Company is a member is Infinis Holdings The consolidated financial statements of this group are available to the public and may be obtained from the Company Secretary, First Floor 500 Pavilion Drive, Northampton Business Park, Northampton, NN4 7YJ