WEAR POINT WIND LIMITED
(FORMERLY WEST POINT WIND LIMITED)

DIRECTORS' REPORT
AND
FINANCIAL STATEMENTS FOR THE PERIOD
05 JANUARY 2012 TO 31 DECEMBER 2012

Registered Number 07898948

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD 05 JANUARY 2012 TO 31 DECEMBER 2012

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DIRECTORS AND ADVISORS

Directors

C H Dix	(appointed 10/12/2012)
R McArthur	(appointed 10/12/2012)
S L Parrish	(appointed 10/12/2012)
G Smit	(appointed 05/12/2012)
E R Wilmar	(appointed 05/01/2012)
J J K Wolters	(appointed 05/01/2012, resigned 05/12/2012)

Company secretary and registered office
Maria Lewis
1 Kingsway
London
WC2B 6AN

Auditor
Deloitte LLP
Chartered Accountants & registered auditor
London

Principal bankers
Nord LB
One Wood Street
London
EC2V 7WT

DIRECTORS' REPORT

The Directors submit their Annual Report and the audited financial statements for the period 05 January 2012 to 31 December 2012

The Director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

The Company is a wholly owned subsidiary of Wear Point Wind Holdings Limited which in turn is owned by John Laing Investments Limited (80%) and Infinergy Assets Limited (20%)

BUSINESS REVIEW AND PRINCIPAL ACTIVITIES

The Company was incorporated on 05 January 2012 and changed its name from West Point Wind Limited to Wear Point Wind Limited on 30 January 2012 The Company's principal activity is the design, build, financing and operation of a wind farm

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of current market conditions and concluded that it is appropriate More information is provided in note 1 to the financial statements

FUTURE DEVELOPMENTS

The Company is developing the site in line with the Engineering, Procurement and Construction contract signed during 2012 The expected date for the commencement of power generation is October 2013

FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a number of financial risks including credit risk and cash flow risk

Cash flow risk The Company's borrowings expose it to cash flow risk primarily due to the financial risks of changes in interest rates The Company uses interest rate swap contracts to hedge these exposures

Exposure to market prices The Company is exposed to long term electricity market prices This risk has been mitigated by the Company entering a Power Purchase Agreement with Statkraft Markets Gmbh The current PPA expires 15 years from the commercial operation date Fixed prices have been agreed up until March 2017

Wind / energy yield risk – the Company has in preparing the project engaged consultants to assess long term wind predictions and consequent energy yield for the given turbines It is recognised that while best practice methodologies were used to the Banks satisfaction, there still remains a risk that wind and energy yield made be less (or more) than modelled The project was financed on an assumption that realistic downsides when modelled would not materially jeopardise the project The Company will monitor performance against plan from start of operations

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- as far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006

Deloitte LLP have indicated their willingness to be appointed as auditor and appropriate arrangements have been put in place for them to be deemed appointed as auditor in the absence of an Annual General Meeting

DIRECTORS

The Directors who served throughout the period, except as noted, are shown on page 1

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements on page 8

On behalf of the Board

S L Parrish
Director

24 April 2013

DIRECTORS' RESPONSIBILITIES STATEMENT

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 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 of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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 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 WEAR POINT WIND LIMITED

We have audited the financial statements of Wear Point Wind Limited for the period from 05 January 2012 to 31 December 2012 which comprise the profit and loss account, the balance sheet and the related notes 1 to 16 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, 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 opinon 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies in the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 2012 and of its loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Directors' report

Ross Howard (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
24 April 2013

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 05 JANUARY 2012 31 DECEMBER 2012

	Notes	Period 05 January 2012 to 31 December 2012 £
Cost of sales		(30,330)
Operating loss	2	**(30,330)**
Net interest receivable	5	**208**
Loss on ordinary activities before taxation		**(30,122)**
Tax on loss on ordinary activities	6	-
Loss for the period	13	**(30,122)**

A reconciliation of movements in shareholder's deficit is given in note 14

All items in the profit and loss account relate to continuing operations

All gains and losses are recognised in the profit and loss account in the current period, and therefore no separate statement of total recognised gains and losses has been presented

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	2012 £
Fixed assets		
Tangible fixed assets	7	**3,578,262**
Current assets		
Debtors		**5,462,376**
- due within one year	8	**361,279**
- due after more than one year	8	**5,101,097**
Cash at bank and in hand		**1,183,238**
		6,645,614
Current liabilities		
Creditors amounts falling due within one year	9	**(465,881)**
Net current liabilities		**6,179,733**
Total assets less current liabilities		**9,757,995**
Creditors amounts falling due after more than one year	9	**(9,788,017)**
Net liabilities		**(30,022)**
Capital and reserves		
Called up share capital	12	**100**
Profit and loss account	13	**(30,122)**
Shareholder's deficit	14	**(30,022)**

The financial statements of Wear Point Wind Limited, registered number 07898948, were approved by the Board of Directors and authorised for issue on 24 April 2013 They were signed on its behalf by

S L Parrish
Director
24 April 2013

Notes to the financial statements for the period from 05 January 2012 to 31 December 2012

1 ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards A summary of the principal accounting policies adopted by the Directors, which have been applied consistently throughout the current and preceding year is shown below

The current economic conditions create some uncertainty with respect to
(a) the ability of key sub-contractors to continue to meet contractual commitments,
(b) the ability of the debt provider to continue to meet its contractual commitments, and
(c) the ability of the SWAP provider to continue to meet their commitments

The Directors have also considered the ability of customers to continue to pay under the Feed in Tariff regime and Power Purchase Agreement due to the Company and do not consider this to be a material risk

The Company's forecasts and projections, taking account of reasonably possible changes in environmental conditions, wind turbines and counterparty performance, show that the Company expects to be able to continue to operate

After making these enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

b) Taxation

Current tax, including United Kingdom Corporation tax and foreign 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

In accordance with FRS19 'Deferred Tax', deferred taxation 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 Company's taxable profits and its 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 net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax assets are not discounted

c) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows

Plant and machinery 20 years

d) Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

e) Finance costs

Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete

f) Cash

Cash comprise cash at bank and in hand and short term deposits with original maturity of less than three months

Notes to the financial statements for the period from 05 January 2012 to 31 December 2012

1 ACCOUNTING POLICIES (continued)

g) Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise

h) Financial Instruments

The Company uses financial instruments to reduce exposure to interest rate movements The Company does not hold or issue derivative financial instruments for speculative purposes

i) Debt issue costs

Costs incurred following the issue of debt are held on the balance sheet and charged to the profit and loss account over the period that the relevant debt is held

j) Decommissioning costs

The Company is liable for decommissioning costs at the end of the licence period There is great uncertainty at the present time about what these costs will be and no benchmarking data is currently available Given the Directors do not consider it possible at the current time to estimate the decommissioning obligation, no provision has yet been made, however this will be done as soon a reliable estimate becomes available

Notes to the financial statements for the period from 05 January 2012 to 31 December 2012 (continued)

2 OPERATING LOSS

	Period 05 January 2012 to 31 December 2012 £
Operating loss is stated after charging	
Fees payable to the Company's auditors for the audit of the Company	3,550

There were no fees for non-audit services in the current period

3 DIRECTORS' REMUNERATION

No Directors received any remuneration for services to the Company during the current period The Company is managed by secondees from the shareholders under a management services contract

4 STAFF NUMBERS

The Company had no employees during the period

5 NET INTEREST RECEIVABLE

	Period 05 January 2012 to 31 December 2012 £
Interest receivable and similar income	
Interest receivable on bank deposits	208
	208
Interest payable and similar charges	
Interest payable on bank loans and overdrafts	(2,473)
Capitalised interest	2,473
	-
Net interest receivable	208

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	Period 05 January 2012 to 31 December 2012 £
Analysis of charge for the period	
Current tax	
UK corporation tax	-
Total current tax	-
Total tax charge on loss on ordinary activities	-

Factors affecting the tax charge for the current period

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows

	Period 05 January 2012 to 31 December 2012 £
Loss for the period	(30,122)
Loss on ordinary activities multiplied by the blended rate of corporation tax in the UK of 24 5%	7,380
Effects of	
Tax losses not recognised for deferred tax purposes	(7,380)
Total current tax for the period	-

The Company has no tax charge for the period

For the period 5 January 2012 to 31 December 2012 , the blended UK rate of 24 5% is applied due to the change in the UK corporation tax rate from 26% to 24% with effect from 1 April 2012

Notes to the financial statements for the period from 05 January 2012 to 31 December 2012 (continued)

7 TANGIBLE FIXED ASSETS

	Plant and Equipment
Cost	
At 5 January 2012	-
Additions	3,578,262
31 December 2012	3,578,262
Accumulated Depreciation	
At 5 January 2012	-
Charge for the period	-
31 December 2012	-
Net book value	
31 December 2012	3,578,262
At 5 January 2012	-

The fixed assets includes cumulative net interest costs of £2,473 20 (2011 nil)

8 DEBTORS

	2012 £
Due within one year	
Other taxation and social security	361,279
Due after more than one year	
Escrow deposit	5,101,097

No interest is being charged on these amounts

9 CREDITORS

	2012 £
Amounts falling due within one year	
Bank Loan (note 10)	379,814
Trade creditors	68,594
Accruals and deferred income	17,473
	465,881
Amounts falling due after more than one year	
Bank Loan (note 10)	7,174,089
Less unamortised debt issue costs	(450,000)
Amounts owed to parent undertaking (note 10)	3,063,928
	9,788,017

	2012 £
Analysis of debt	
Debt can be analysed as falling due	
In one year or less	379,814
Between one and two years	5,368,810
Between two and five years	1,723,279
In five years or more	3,145,928
	10,617,831
Less unamortised debt issue costs	(450,000)
	10,167,831

Notes to the financial statements for the period from 05 January 2012 to 31 December 2012 (continued)

10 LOANS

Bank loans

The Company has a term loan facility of £10,935,796, which is split into two tranches Tranche A is for the amount of £4,281,097 of which £2,072,992 has been drawn down during the period Tranche B is for the amount of £6,654,699 of which £5,019,097 has been drawn down during the period

Tranche A of the term loan is repayable in instalments by 31 December 2028, based on an agreed percentage amount of the total amount drawn down Repayments commence on 30 June 2014 Tranche B of the term loan is repayable in full on 30 April 2014 Interest on term loan is charged at a variable interest rate of LIBOR plus 3 25% until commercial operation Thereafter interest is charged at a variable rate of LIBOR plus 3 15% for the next five years when interest will revert back to LIBOR plus 3 25%

In December 2012, as part of its interest rate management strategy and in accordance with the terms of its credit agreement the Company entered into an interest rate swap maturing on 30 June 2026 The maximum notional amount of the interest rate swap is £1,991,802 Under this swap the Company receives interest on a variable basis and pays interest at a fixed rate of 2 32% The SWAP was entered into on 14 December 2012 and therefore any movements is the fair value are deemed to be immaterial

The Company has a VAT facility of £995,946 of which £379,814 has been drawn down during the period The VAT facility is repayable by 31 May 2014 Interest is charged at LIBOR plus 2 75%

The Company has a decommissioning bond facility of £82,000 of which £82,000 has been drawn down during the period The decommissioning bond facility is repayable by 14 December 2022 Interest is charged at LIBOR plus 2 75%

Subordinated debt

Subordinated Debt of £3,063,928 was injected by the immediate parent companies on 14 December via the issue of £3,062,928 unsecured subordinated debt fixed rate loan notes due December 2032 bearing an interest rate of 10% per annum The principal amount of the Company's unsecured subordinated debt fixed rate loan notes is limited to £3,063,928

11 CAPITAL COMMITMENTS, CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

At 31 December 2012, the Company is committed to a remaining amount of £5 019 million payable to REpower Systems SE under the Turbine Supply Agreement and £1 578 Million payable to Raymond Brown Construction Limited under the Balance Of Plant Agreement relating to the construction of the wind farm

At the balance sheet date, the Company has annual commitments in respect of land for minimum lease payments under a non-cancellable operating lease, which fall due as follows

	2012
	£
More than 5 years	**82,000**

12 CALLED UP SHARE CAPITAL

	2012
	£
Allotted, called up and fully paid	
100 ordinary shares of £1 each	**100**

On 5 January 2012, the Company issues 100 ordinary shares for consideration of £100

13 MOVEMENT IN RESERVES

	Profit and loss
	£
At 05 January 2012	-
Loss for the period	(30,122)
At 31 December 2012	***(30,122)***

Notes to the financial statements for the period from 05 January 2012 to 31 December 2012 (continued)

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S DEFICIT

	2012
	£
Loss for the period	(30,122)
New shares issued	100
Net addition to shareholder's deficit	(30,022)
Opening shareholder's funds	-
Closing shareholder's deficit	(30,022)

15 TRANSACTIONS WITH RELATED PARTIES

Wear Point Wind Limited is a 100% subsidiary of Wear Point Wind Holdings Limited, which is 80% owned by John Laing Investments Limited (a company incorporated in England and Wales) and 20% held by Infinergy Assets Limited

As a wholly owned subsidiary of Wear Point Wind Holdings Limited, the Company has taken advantage of the exemption under Financial Reporting Standard 8 not to provide information on related party transactions with other undertakings within the Wear Point Wind Holdings Limited group Note 16 gives details of how to obtain a copy of the published financial statements of Wear Point Wind Holdings Limited

	2012
Transactions with related parties	£
KDE Energy Assets B V	
Management Fee	22,750

16 ULTIMATE PARENT UNDERTAKING

The Company's immediate parent company is Wear Point Wind Holdings Limited, a company incorporated in Great Britain Copies of the accounts of Wear Point Wind Holdings limited are available from Companies House, Crown Way, Cardiff, CF14 3UZ

The smallest group in which its results are consolidated is John Laing plc, a company incorporated in Great Britain and registered in England and Wales The largest group in which its results are consolidated is Henderson Infrastructure Holdco (Jersey) Limited, a company incorporated in Jersey, Channel Islands and registered in Jersey, Channel Islands Copies of the consolidated accounts of John Laing plc are available from Companies House, Crown Way, Cardiff, CF14 3UZ

The Company's ultimate parent and controlling entity is Henderson Infrastructure Holdco (Jersey) Limited, a company incorporated in Jersey, Channel Islands