

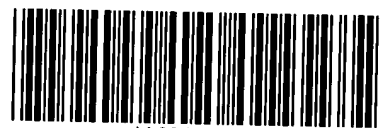
**UK Renewable Holdco 3 Limited**

**Annual Report and accounts**

**for the period from 14 September 2015 to 31 December 2016**

Registered number: 09775674

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## Strategic report

For the period from 14 September 2015 to 31 December 2016

The directors present their Annual Report on the affairs of the company, together with the accounts and auditor's report, for the period 14 September 2015 to 31 December 2016. This is the company's first Annual Report and accounts. The accounts are presented under Financial Reporting Standard 102 (FRS102).

### Business strategy

The principal activity of the company is to hold and manage an investment in Portugal Renewable Energy.

### Financial and operational review

As shown in the profit and loss account the company has made a profit of €18.0m for the in period 14 September 2015 to 31 December 2016. The balance sheet shows the company's net asset position at the period end of €318.5m.

Given the activity of the company is to hold and manage Portugal Renewable Energy the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The performance of Portugal Renewable Energy is discussed within the strategic report in that company's Annual Report and the consolidated financial statements of UK Renewable Holdco 1 Limited which does not form part of this report. During the period the company completed a €29.1m capital reduction.

### Dividends

The directors do not recommend payment of a final dividend. An interim dividend of €28.1m was declared and paid in the period.

### Outlook

The directors expect the company to make a profit in the forthcoming year.

### Principal risks and uncertainties

The company is primarily financed by equity, with liquidity risk managed through intergroup assets and liabilities. All intercompany balances are deemed recoverable. The carrying value of investments held in the balance sheet not being supported by future cash flows from subsidiaries is a risk, however, the directors consider that this risk is mitigated based on current and projected profitability of the company's investments.

### Future Developments and events after the reporting period

There are no no future developments or significant events after the balance sheet date.

### Going Concern

The Directors have considered the going concern assumption in preparing these financial statements. The Directors' assessment has considered the company's forecasts, current financial resources and taking account of reasonably possible sensitivities in light of current economic uncertainty. The company's business activities, performance and position together with its principal risks and uncertainties likely to affect its future development and performance are set out above. The directors have made enquiries and reviewed the forecasts and have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and accounts.

By order of the Board,



M J Horsley, Director, 12 June 2017

## **Directors' report**

For the period from 14 September 2015 to 31 December 2016

The Directors present their annual report for the affairs of UK Renewable Holdco 3 Limited, together with the accounts and auditors report for the year ended 31 December 2016. The business strategy, financial and operational review, dividends, outlook, future developments, dividends, principal risks and uncertainties and going concern are presented in the Strategic report on page 1.

### **Directors**

The directors, who served throughout the period and subsequently except as noted, were as follows:

- L S Chan (appointed 27 November 2015)
- H L Kam (appointed 27 November 2015)
- B Scarsella (appointed 27 November 2015)
- A J Hunter (appointed 14 September 2015)
- M J Horsley (appointed 14 September 2015)
- C Tsai (appointed 27 November 2015)
- C Weston (appointed 14 September 2015, resigned 14 September 2015)

### **Director's indemnities**

The company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

### **Auditor**

Each of the directors at the date of approval of this report confirms that:

- so 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 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 provisions of section 418 of the Companies Act 2006.

During the period, Deloitte were appointed to fill the current vacancy that arose on inception. The directors will place a resolution before the annual general meeting to reappoint Deloitte LLP as auditor for the ensuing year.

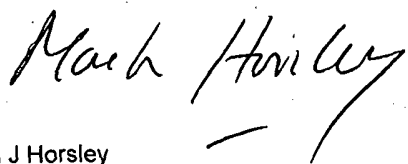
### **Approval of reduced disclosures**

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 "reduced disclosure framework". The company's shareholders have been notified about the intention to take advantage of the disclosure exemptions and no objections have been received. The company also intend to take advantage of these

Directors' report (continued)

exemptions in the accounts to be issued in the following year. Objections may be served on shareholders holding in aggregate 5 per cent or more of the total allocated shares in the company at any time.

By order of the Board,

A handwritten signature in black ink, appearing to read 'Mark Horsley', with a horizontal line underneath the name.

M J Horsley

Director

12 June 2017

3 More London Riverside, London, SE1 2AQ

## Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the accounts 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 accounts, 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 accounts; and
- prepare the accounts 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 accounts 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 UK Renewable Holdco 3 Limited

We have audited the accounts of UK Renewable Holdco 3 Limited for the period from inception on 14 September 2015 to 31 December 2016 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes 1 to 11. 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 accounts. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period for the period from inception on 14 September 2015 to 31 December 2016;
- 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.

## Independent auditor's report (continued)

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial period for which the accounts are prepared is consistent with the accounts; and
- the Strategic report and the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic report and the Directors' report.

### **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 accounts 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.



**Scott Bayne FCA (Senior Statutory Auditor)**  
**For and on behalf of Deloitte LLP**  
**Statutory Auditor**  
**Leeds, United Kingdom**

12 June 2017

## Profit and loss account

For the period from 14 September 2015 to 31 December 2016

	Notes	2016 €'000
Administrative expenses		(12)
<b>Operating loss</b>		<b>(12)</b>
Finance income	1	22,521
<b>Profit on ordinary activities before taxation</b>	2	<b>22,509</b>
Tax on profit on ordinary activities	3	(4,502)
<b>Profit for the financial period</b>		<b>18,007</b>

All results arise from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

## Statement of comprehensive income

	2016 €'000
<b>Profit for the financial period</b>	<b>18,007</b>
<b>Total comprehensive income</b>	<b>18,007</b>

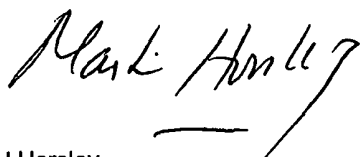


**Balance sheet**  
As at 31 December 2016

	Notes	2016 €'000
<b>Fixed asset investments</b>	5	61,148
<b>Current assets</b>		
Debtors – due within one year	6	11,803
Debtors – due after more than one year	6	250,000
Cash at bank and in hand		20
		261,823
<b>Creditors: Amounts falling due within one year</b>	7	(4,514)
<b>Net current assets</b>		257,309
<b>Net assets (also total assets less current liabilities)</b>		318,457
<b>Capital and reserves</b>		
Called-up share capital	9	-
Share premium account	9	299,415
Profit and loss account		19,042
<b>Shareholders' funds</b>		318,457

The accompanying notes are an integral part of this balance sheet.

The accounts of UK Renewable Holdco 3 Limited, Registered number 09775674, were approved by the Board of Directors and authorised for issue on 12 June 2017 and signed on its behalf by:



M J Horsley

Director

12 June 2017

## Statement of changes in equity

For the period from 14 September 2015 to 31 December 2016

	Notes	Called-up share capital 2016 €'000	Profit and loss account 2016 €'000	Share Premium account 2016 €'000	Total 2016 €'000
<b>At inception (14 September 2015)</b>		-	-	-	-
Total comprehensive income		-	18,007	-	18,007
Dividends declared on equity shares	4	-	(28,050)	-	(28,050)
Capital reduction		-	29,085	(29,085)	-
New shares issued		-	-	328,500	328,500
<b>31 December 2016</b>		-	19,042	299,415	318,457

## Statement of accounting policies

For the period from 14 September 2015 to 31 December 2016

The principal accounting policies are summarised below. They have all been applied consistently throughout the period inception on 14 September 2015 to 31 December 2016.

### General information and basis of accounting

UK Renewable Holdco 3 Limited (the company) is a company incorporated in the United Kingdom under the Companies Act. The company is a private company limited by shares and is registered in England and Wales. The address of the companies registered office is shown on is 3 More Lond Riverside, London, SE1 2AQ.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional and presentational currency is considered to be Euros because that is the currency of the primary trade in which the Company operates.

The company is exempt from the requirement of FRS 102 (Section 7) to present a cash flow statement, certain financial instrument disclosures, and key management personnel disclosures, as it is a wholly owned subsidiary UK Renewable Holdco 1 Limited, which prepares consolidated accounts which are publicly available. The company is not required to prepare group accounts as it is a wholly owned subsidiary of UK Renewable Holdco 1 Limited which prepares consolidated accounts which are publicly available.

### Going concern

The company's business activities, performance and position together with its principal risks and uncertainties likely to affect its future development and performance are set out in the Strategic report.

The directors have made enquiries and reviewed the forecasts and 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.

### Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively 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 company's taxable profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts. 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.

## Statement of accounting policies (continued)

### Financial instruments

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

- (b) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (c) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (d) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (e) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

## Statement of accounting policies (continued)

### **Reserves**

The profit and loss reserve represents cumulative profits or losses, including unrealised profit net of dividends paid and other adjustments.

### **Critical accounting judgements and key sources of estimation uncertainty**

The directors consider the value of the company investment (see note 5) and recoverability of intercompany loans (see note 6) to be supported by the value of future cash flows received and net assets of the investment.

## Notes to the accounts

For the period from 14 September 2015 to 31 December 2016

### 1 Finance income

	2016 €'000
Interest receivable and similar income	
- Group loans	22,521
	<u>22,521</u>

All interest receivable is from group loans as disclosed in note 6.

### 2 Profit on ordinary activities before taxation

The directors did not receive any remuneration in relation to their services to the company during the current period. The fees payable to the company's auditor for the audit of the company's annual accounts (financial statements) was €4,000 and the auditors also provided €2,000 of tax services. There are no employees other than the directors.

### 3 Tax on profit on ordinary activities

The tax charge comprises:

	2016 €'000
<b>Current tax</b>	
UK corporation tax	4,502
<b>Total tax on profit on ordinary activities</b>	<u>4,502</u>

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

	2016 €'000
<b>Profit on ordinary activities before tax</b>	<u>22,509</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.0%	4,502
<b>Tax charge for the period</b>	<u>4,502</u>

The company earns its profits in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 20%. Finance Act No2 2015 was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 17% with effect from 1 April 2020. As these rates have been substantially enacted in tax legislation, deferred tax balances have been calculated with reference to these rates in line with the expected period of reversal of the deferred tax balances.

## Notes to the accounts (continued)

### 4 Dividends on equity shares

2016  
€'000

#### Equity shares

- interim dividend paid €28.05m per ordinary share

28,050

### 5 Fixed asset investments

€'000

At Inception (14 September 2015)

Additions

61,148

Subsidiary (cost and net book value) at 31 December 2016

61,148

The subsidiary represents a 100% holding in the ordinary share capital of Portugal Renewable Energy, a company whose principal activity is to act as a holding company, which is incorporated and registered in Portugal. Portugal Renewable Energy is the parent company of:

Company Name	Location	Activity	Shareholding
IBERWIND - Desenvolvimento e Projectos, S.A.	Algés	Renewable energy	100.000%
IBERWIND II Produção - Soc. Unip., Lda.	Rio Maior	Renewable energy	100.000%
Iberwind III Produção, S.A.	Algés	Renewable energy	100.000%
Bússola Vanguarda - Parque Eólico Unipessoal, Lda.	Algés	Renewable energy	100.000%
Persisteverde - Parque Eólico, Unipessoal, Lda.	Algés	Renewable energy	100.000%
Espiral Elementar - Parque Eólico, Unipessoal, Lda.	Algés	Renewable energy	100.000%
PESM - Parque Eólico da Serra das Meadas, S.A.	Lamego	Renewable energy	100.000%
PESL - Parque Eólico da Serra do Larouco S.A.	Montalegre	Renewable energy	100.000%
ENERFLORA - Produção de Energia Eléctrica, Lda	Mafra	Renewable energy	100.000%
PEVB-Parque Eólico Vila do Bispo, Lda	Vila do Bispo	Renewable energy	100.000%
PECF - Parque Eólico de Chão Falcão, Lda	Porto Mós	Renewable energy	100.000%
PEL-Parque Eólico da Lousã, Lda	Penela	Renewable energy	100.000%
Parque Eólico de Trevim, Lda	Lousã	Renewable energy	100.000%
PESB - Parque Eólico da Serra de Bornes, S.A	Alfândega-da-Fé	Renewable energy	100.000%
HIDROMARÃO-Sociedade Produtora de Energia, S.A	Vila Real	Renewable energy	100.000%
Monte Agraço-Energias Alternativas, Lda.	Monte Agraço	Renewable energy	75.000%
ENTREVENTOS-Energias Renováveis, S.A.	Coimbra	Renewable energy	51.001%
Parque de Pampilhosa da Serra, S.A.	Pampilhosa da Serra	Renewable energy	100.000%
Parque Eólico de Malhadas Góis, S.A.	Pampilhosa da Serra	Renewable energy	100.000%
PESB II, Sociedade Unipessoal, Lda.	Algés	Renewable energy	100.000%
PETM - Sociedade Unipessoal, Lda.	Algés	Renewable energy	100.000%
Parque Eólico de Trevim II, Soc. Unipessoal, Lda.	Algés	Renewable energy	100.000%
Poderosa Equação - Parque Eólico, Unipessoal, Lda.	Algés	Renewable energy	100.000%

The above companies have a registred address of: Rua Joao Chagas No53, Piso, Freguesia de Alges, Alges.

## Notes to the accounts (continued)

### 6 Debtors

	2016 €'000
<b>Amounts falling due within one year:</b>	
Amounts owed by group undertakings	11,803
	<u>11,803</u>
<b>Amounts falling due after more than one year:</b>	2016 €'000
Group loan	250,000
	<u>250,000</u>
	<u>261,803</u>

Amounts owed by associate undertakings that are due after more than one year comprise shareholder loans held by Portugal Renewal Energy, bearing fixed interest of 8.0% paid annually and are repayable on 17 December 2035.

### 7 Creditors: Amounts falling due within one year

	2016 €'000
Accruals and deferred income	12
Corporation tax	4,502
	<u>4,514</u>

### 8 Derivatives and other financial instruments

The strategic report provides an explanation of the role that financial instruments have had during the period in creating or changing the risks the company faces in its activities. The company has no derivative financial instruments.

The numerical disclosures in this note deal with financial assets and financial liabilities as defined in FRS102 (Section 11). The directors believe that the fair values are not materially different from the balance sheet values for the current period.



## Notes to the accounts (continued)

### 8 Derivatives and other financial instruments (continued)

#### *Interest rate profile*

The company has no financial assets other than shareholder loans as detailed below and sterling cash deposits of €20,000 which are part of the financing arrangements of the company. The sterling cash deposits comprise monies held in bank accounts.

The company's financial instruments at 31 December was as follows:

	Fixed rate 2016	Weighted average interest rate 2016	Period for which rate is fixed 2016
Liabilities	€'000	%	Years
Group loans	250,000	8.0	19.0

#### *Maturity of financial assets and liabilities*

The group loans are repayable in more than five years.

#### *Borrowing facilities*

The company had no undrawn committed borrowing facilities at the current period end.

#### *Fair values*

The directors believe that the fair values of all financial instruments are not materially different from the balance sheet values.

### 9 Called-up share capital

#### *Allotted, called-up and fully paid*

1 ordinary shares of €1 each

Share premium

2016  
€'000

299,415

The company has one class of ordinary shares which carry no right to fixed income. The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses. During the year, the company issued 1 ordinary share for consideration of €328,500,000 resulting in a share premium of €328,499,999. This has been reduced by a capital contribution from UK Renewable Holdco 2 of £29,085,000. The shares were paid in full.

## Notes to the accounts (continued)

### 10 Related party transactions

The company is a wholly owned subsidiary and utilises the exemption contained in FRS 102 section 33 2.2, "Related Party Disclosures", not to disclose any transactions with entities that are part of the group.

The company received loan interest from its subsidiary as detailed in the profit and loss account.

The company paid dividends to its parent company as detailed in note 4.

### 11 Ultimate controlling party

UK Renewable Holdco 1 Limited is the smallest and largest group in which the results of the company are consolidated.

The Ultimate Controlling party and immediate parent company is UK Renewable Holdco 2 Limited, which in turn is wholly owned by UK Renewable Holdco 1 Limited, the registered address of both being 3 More London Riverside, London SE1 2AQ.

UK Renewable Holdco 1 Limited is wholly owned by a consortium comprising of Hong Kong based companies:

#### Shareholder

#### Ultimate parent undertaking

Well Diamond Development Limited (50%)

CK Hutchison Holdings Limited

Registered office: Clarendon Office, HM11, Beermuda

Good Chain investment Limited (50%)

Power Assets Holdings Limited

Registered office: Hutchison House, 10 Harcourt Road Hong Kong