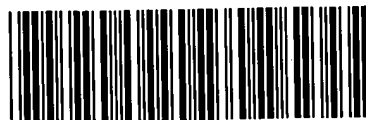


Gamesa Energy UK Limited

**Annual report and financial statements for the
year ended 31 December 2014**

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COMPANIES HOUSE

Gamesa Energy UK Limited

Company Information

Directors

Gaizka Nicuesa Chacon
Germán González Avecilla

Registered number

04768822

Registered office

5th Floor
16 Palace Street
London
SW1E 5JD

Independent auditors

Ernst and Young LLP
Chartered Accountants and Statutory Auditors
24 Marina Court, HU1 1TJ Hull United Kingdom

Gamesa Energy UK Limited

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Directors' report for the year ended 31 December 2014

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

Result and dividend

The loss of the year, after taxation, amounted to £3,398,028 (2013: loss £2,348,095). The directors do not recommend the payment of an ordinary dividend (2013 £nil).

Directors

The directors who held office during the year and up to the date of signing the financial statements were as follows:

Gaizka Nicuesa Chacón
Germán González AVECILLA

Going concern

The company recorded a loss after taxation of £3,398,028 (2013: £2,348,095) for the year and has both net current liabilities and overall net liabilities at the balance sheet date. Whilst the company has positive cash resources, it is dependent on the continued support of its immediate parent undertaking, Gamesa Energía S.A., in order to meet its financial obligations as they fall due. This support has been evidenced by a letter of support received from Gamesa Energía S.A. which states it will provide support to the company for at least 12 months from the date of signing these financial statements. The directors have assessed the ability of Gamesa Energía S.A. to provide this support and concluded that it is able to do so.

After making enquiries and taking account of the factors noted above, the directors have concluded that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

Future developments

The global economic and financial crisis has slowed expenditure on new projects and led to regulatory uncertainty in some countries. The directors are satisfied that the industry has strong growth fundamentals in the medium and long term.

The company has implemented the group business plan for the next 3 years with the aim of being a reference in the sector through the optimization of the cost of energy. During 2014 and 2015 the directors and the staff have been focused into getting new contracts, the outcome of this work will arise during the first half of 2016.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of principal risks and uncertainties. The key business risk affecting the company is foreign exchange risk as the company operates in various currencies.

The group's management has a policy that requires each company to manage their own foreign exchange risk against their functional currency using systems of identification, measurement, limitation of concentration and supervision.

Financial instrument risks:

The group has established a risk and financial management framework whose primary objectives are to protect the group from events that hinder the achievements of the group's performance objectives.

**Directors' report
for the year ended 31 December 2014**

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Disclosure of information to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps he/she is obliged to take as a director in order to make himself/herself aware of any relevant auditor information and to establish that the auditor is aware of that information.

Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment Ernst & Young LLP as auditor of the Company.

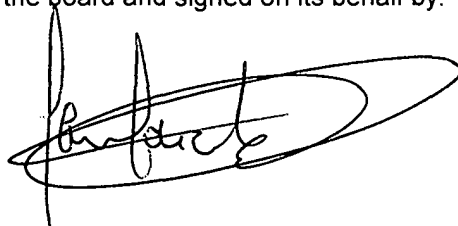
Small company exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 and not prepared a strategic report.

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

Germán González Avecilla
Director
Date: March 4, 2016

A handwritten signature in black ink, appearing to read 'González Avecilla', enclosed within a large, loopy oval shape.

Directors' responsibilities statements for the year ended 31 December 2014

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 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 judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 GAMESA ENERGY UK LIMITED

We have audited the financial statements of Gamesa Energy UK Limited for the year ended 31 December 2014 which comprise Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. 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 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 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 with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

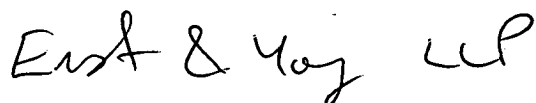
Opinion on other matter prescribed by the Companies Act 2006

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.

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.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Natasha Tomlinson for and on behalf of Ernst & Young LLP, Hull
8 March 2016

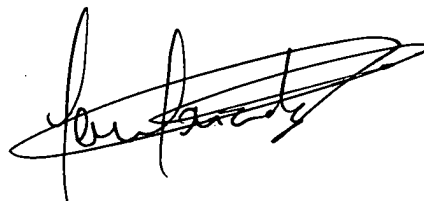
**Profit and loss account
for the year ended 31 December 2014**

	Note	2014 £	2013 £
Cost of sales		(411,361)	(595,053)
Gross profit		(411,361)	(595,053)
Administrative expenses		(2,420,339)	(1,389,383)
Operating loss	2	(2,831,700)	(1,984,436)
Interest receivable and similar income	4	266,085	24,800
Interest payable and similar charges	5	(832,413)	(388,459)
Loss on ordinary activities before taxation		(3,398,028)	(2,348,095)
Tax on loss on ordinary activities		-	-
Loss for the financial year	13	(3,398,028)	(2,348,095)

The results for the year are derived from continuing operations.

The company has no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented.

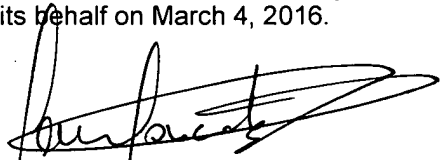
The notes on pages 8 to 15 form part of these financial statements.



Balance sheet as at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	7		46,053		88,995
Current assets					
Stock	8	2,684,639		4,437,476	
Debtors	9	166,663		314,640	
Cash at bank in hand		4		12,993	
		<u>2,851,306</u>		<u>4,765,109</u>	
Creditors: amounts falling due within one year	10	(3,136,267)		(13,661,432)	
Net current assets/liabilities			<u>(284,961)</u>		<u>(8,896,323)</u>
Total assets less current liabilities			<u>(238,908)</u>		<u>(8,807,328)</u>
Net assets/liabilities			<u>(238,908)</u>		<u>(8,807,328)</u>
Capital and reserves					
Called up share capital	12		11,966,449		1
Profit and loss account	13		<u>(12,205,357)</u>		<u>(8,807,329)</u>
Total shareholder's deficit	14		<u>(238,908)</u>		<u>(8,807,328)</u>

The financial statements on pages 6 to 15 were approved and authorized for issue by the board and were signed on its behalf on March 4, 2016.



Germán González Avecilla
Director

The notes on pages 8 to 15 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

1.1. Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and have been applied consistently throughout the year.

1.2. Going concern

The company recorded a loss after taxation of £3,398,028 (2013: £2,348,095) for the year. Whilst the company has positive cash resources, it is dependent on the continued support of its immediate parent undertaking, Gamesa Energía S.A. Unipersonal, in order to meet its financial obligations as they fall due. This support has been evidenced by a letter of support received from Gamesa Energía S.A. Unipersonal, which states it will provide support to the company for at least 12 months from the date of signing these financial statements. The directors have assessed the ability of Gamesa Energía S.A. Unipersonal to provide this support and concluded that it is able to do so.

After making enquiries and taking account of the factors noted above, the directors have concluded that the company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

1.3. Cash flow statements

The company is a wholly owned subsidiary of Gamesa Corporación Tecnológica S.A. and is included in their consolidated financial statements, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) "Cash flow statements".

1.4. Tangible assets and depreciation

Tangible assets are recognised at initial purchase cost. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	3 years
Office equipment	-	3 - 5 years
Computer software	-	3 - 5 years

The carrying value of tangible assets is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

1.5. Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date at which the contract is due to be revised.

**Notes to the financial statements
for the year ended 31 December 2014****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. Pensions

The company contributes to the personal pension plans of its employees and the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between the contribution payable in the year and the contribution actually paid are shown as either accruals or prepayments in the balance sheet.

1.8. Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reserved at the balance sheet date where transaction or events have occurred at that date will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9. Stock

Inventories are valued at the lower of cost and net realisable value. Work in progress is valued by the cost of direct materials and labour based on the normal operating capacity, but excluding borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount.

Notes to the financial statements for the year ended 31 December 2014

2. Operating loss

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

	2014 £	2013 £
Depreciation of tangible Fixed assets:		
- owned by the company	42,942	79,295
Auditors' remuneration – audit of the financial statements	8,335	13,221
Auditors' remuneration – other services	4,000	4,500
Operating lease rentals:		
- plant and machinery	-	5,772
- other operating leases	-	48,379

3. Staff cost

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	92,238	212,121
Social security costs	7,825	14,654
Other pension costs	2,464	7,839
	102,527	234,614

In other pension costs are £2,464 (2013: £7,839) in respect of the defined contribution schemes. During the year, the directors received no emoluments (2013: £nil).

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Administration	2	3

4. Interest receivable and similar income

	2014 £	2013 £
Exchange gain on loans owed to group undertakings	262,144	24,739
On amounts owed to group undertakings	10	61
Other interest	3,931	-
	266,085	24,800

Notes to the financial statements for the year ended 31 December 2014

5. Interest payable and similar charges

	2014	2013
	£	£
Exchange gain on loans owed to group undertakings	-	109,848
On amounts owed to group undertakings	832,413	278,611
	832,413	388,459

6. Tax on loss on ordinary activities

	2014	2013
	£	£
UK corporation tax charge on loss for the year	-	-

Factors affecting tax charge for the year

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

	2014	2013
	£	£
Loss on ordinary activities before tax	(3,398,028)	(2,348,095)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(730,576)	(545,932)

Effects of:

Expenses not deductible for tax purposes	122,608	121,883
Capital allowances in excess of depreciation	(1,168)	18,434
Unrelieved tax losses carried forward	609,136	405,615
Current tax charge for the year (see note above)	-	-

Notes to the financial statements for the year ended 31 December 2014

7. Tangible and intangible fixed assets

	Plant & machinery	Office equipment	Computer softwares	Total
	£	£	£	£
Cost				
At 1 January 2014	277,269	44,341	2,663	324,273
Additions	-	-	-	-
At 31 December 2014	<u>277,269</u>	<u>44,341</u>	<u>2,663</u>	<u>324,273</u>
Depreciation				
At 1 January 2014	188,274	44,341	2,663	235,278
Additions	42,942	-	-	42,942
At 31 December 2014	<u>231,216</u>	<u>44,341</u>	<u>2,663</u>	<u>278,220</u>
Net book value				
At 31 December 2013	88,995	-	-	88,995
At 31 December 2014	<u>46,053</u>	<u>-</u>	<u>-</u>	<u>46,053</u>

8. Stock

On December 2014, the company shows the next amounts;

	2014	2013
	£	£
Stock		
Work in progress	7,754,656	7,236,497
Impairment		
Impairment work in progress	(5,070,017)	(2,799,021)
	<u>2,684,639</u>	<u>4,437,476</u>

Notes to the financial statements for the year ended 31 December 2014

9. Debtors

	2014	2013
	£	£
Amounts owed by group undertakings	121,962	117,954
Other debtors	-	52,213
Other taxes	5,797	139,464
Prepayments and accrued income	38,904	5,009
	166,663	314,640

10. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	343,737	227,139
Loans owed to group undertakings	2,750,508	13,334,475
Taxation and social security	-	76,550
Accruals and deferred income	42,022	23,268
	3,136,267	13,661,432

Amounts owed to parent and fellow group undertakings are unsecured, with no fixed date of repayment. Interest is charged on these amounts at rates between EURIBOR +2% to 2.5%.

11. Deferred taxation

	2014	2013
	£	£
At beginning and end of year	-	-

The deferred tax asset of £1,457,894 (2013: £866,135) has not been recognized during the year as it is unlikely that will be suitable taxable profits in the future from which the reversal of the underlying timing differences can be deducted.

Notes to the financial statements for the year ended 31 December 2014

12. Called up share capital

	2014	2013
	£	£
Allotted and fully paid 1 Ordinary share of £1	11,966,449	1

On October 2014, the company allotted and issued the number of shares as set below against their name certified and fully paid

Applicant name	Date	Price payable per share	Total amount payable
Gamesa Energía S.A. Unipersonal	08/10/2014	£ 1	£ 11,966,448

13. Profit and loss account

	£
At 1 January 2014	(8,807,329)
Loss for the financial year	(3,398,028)
At 31 December 2014	<u>(12,205,357)</u>

14. Reconciliation of movement in shareholder's deficit

	2014	2013
	£	£
Opening shareholders' deficit	(8,807,329)	(6,459,234)
Capital increase	11,966,449	
Loss for the financial year	(3,398,028)	(2,348,095)
Closing shareholders's deficit	<u>(238,908)</u>	<u>(8,807,329)</u>

15. Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Gamesa Corporación Tecnológica S.A.

**Notes to the financial statements
for the year ended 31 December 2014**

16. Immediate parent company and controlling party

The immediate parent undertaking is Gamesa Energía S.A. Unipersonal, a company incorporated in Spain. The ultimate parent undertaking and the ultimate controlling party of the undertaking is Gamesa Corporación Tecnológica S.A., incorporated in Spain. The largest and smallest group in which the results of the company are consolidated is that headed by Gamesa Corporación Tecnológica S.A.. The consolidated financial statements of this group can be obtained from Parque Tecnológico de Vizcaya, edificio 222, 48170, Zamudio, Vizcaya, Spain.

A handwritten signature in black ink, appearing to be 'J. García', written over a large, stylized circular flourish.