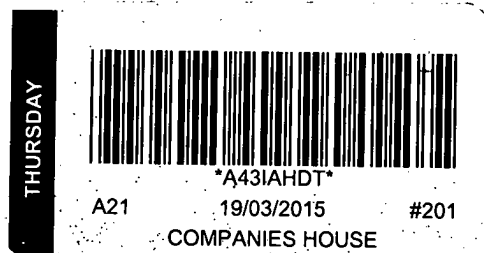


Company Registration No. 07705453

REG Tranche 2 Holdings Limited

Annual Report and Financial Statements

For the year ended 30 June 2014



REG Tranche 2 Holdings Limited

Annual report and financial statements for the year ended 30 June 2014

| Contents | Page |
|--|-------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 |
| Directors' responsibilities statement | 3 |
| Independent auditor's report | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the financial statements | 7 |

REG Tranche 2 Holdings Limited

Officers and professional advisers

Directors

A Whalley
D Crockford
N Harris
S Booth
S Wannop

Company Secretary

D Crockford

Bankers

The Co-operative Bank
Balloon Way
Manchester
M60 4EP

Registered Office

2nd Floor
Edgeborough House
Upper Edgeborough Road
Guildford
Surrey
GU1 2BJ

Independent auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
Global House
High Street
Crawley
RH10 1DL

REG Tranche 2 Holdings Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report, for the year ended 30 June 2014.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Information on the basis of preparation of these financial statements can be found in note 1.

Principal activity

The principal activity of the Company in the year under review was to act as a holding company for subsidiaries holding operational wind farms. This is expected to continue to be the principal activity of the Company.

Results and dividends

The profit for the year, after taxation, was £10,481,113 (2013: £nil).

The directors approved and paid a dividend on 26 June 2014 of £10,481,113 (2013: £nil).

Directors

The directors who served throughout the year were as follows:

A Whalley
D Crockford
N Harris
S Booth (appointed 26 June 2014)
S Wannop (appointed 26 June 2014)

Independent auditor and statement of provision of information to the independent auditor

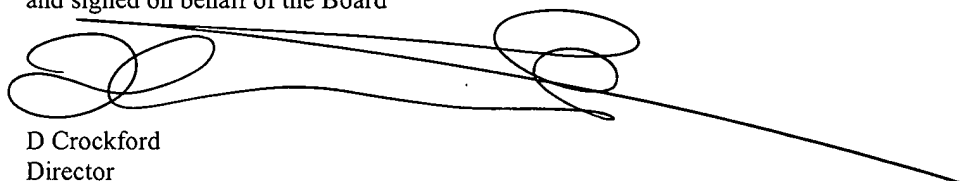
Deloitte LLP has expressed their willingness to continue in office as auditor of the Company and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director 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/she ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006.

Approved by the Board of Directors
and signed on behalf of the Board



D Crockford
Director

13 February 2015

REG Tranche 2 Holdings Limited

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the audited 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; 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 REG Tranche 2 Holdings Limited

We have audited the financial statements of REG Tranche 2 Holdings Limited for the year to 30 June 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. 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 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 30 June 2014 and its results 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 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; or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic report or in preparing the Directors' report.



Matthew Coulson FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Crawley, United Kingdom

13 February 2015

REG Tranche 2 Holdings Limited

Profit and loss account For the year ended 30 June 2014

| | Notes | 2014 £ | 2013 £ |
|--|-------|------------|-----------|
| Profit on disposal of subsidiary | 10 | 10,481,113 | - |
| Profit on ordinary activities before taxation | | 10,481,113 | - |
| Tax charge on profit on ordinary activities | 3 | - | - |
| Profit on ordinary activities after taxation | 8 | 10,481,113 | - |

All items in the above statement derive from continuing operations.

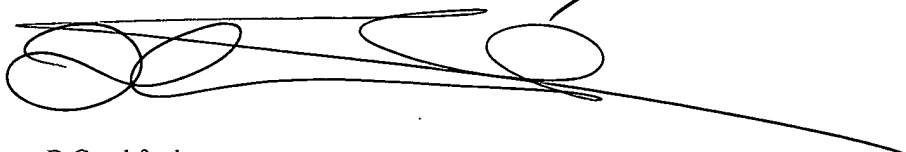
There are no further recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account and as a result no statement of total recognised gains and losses is given.

REG Tranche 2 Holdings Limited

Balance sheet As at 30 June 2014

| | Notes | 2014 £ | 2013 £ |
|--|-------|-------------|-------------|
| Fixed assets | | | |
| Investments | 4 | 2,000 | 3,000 |
| | | <hr/> | <hr/> |
| Current assets | | | |
| Cash | | - | 1,000 |
| Debtors | 5 | 1 | 1 |
| | | <hr/> | <hr/> |
| Net current assets | | 1 | 1,001 |
| Creditors: amounts falling due after more than one year | 6 | (2,000) | (4,000) |
| | | <hr/> | <hr/> |
| Net assets | | 1 | 1 |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Capital and reserves | | | |
| Called-up share capital | 7 | 1 | 1 |
| Profit and loss account | 8 | - | - |
| | | <hr/> | <hr/> |
| Shareholder's funds | 8 | 1 | 1 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The financial statements of REG Tranche 2 Holdings Limited, registered number 07705453 were approved by the board of directors and authorised for issue on 13 February 2015.



D Crockford
Director

REG Tranche 2 Holdings Limited

Notes to the financial statements For the year ended 30 June 2014

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current financial year.

Accounting convention

The financial statements are prepared under the historical cost convention.

Consolidation exemption

The financial statements present information about the Company as an individual undertaking and not about its Group. The Company is exempt from the obligation to prepare and deliver consolidated financial statements under s400 of the Companies Act 2006 as it is a wholly owned subsidiary of Renewable Energy Generation Limited, a Company incorporated in Jersey which produces group financial statements.

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group.

Basis of preparation

The financial statements have been prepared on the basis the Company is a going concern, which the Directors consider appropriate for the following reasons:

The Directors have separately reviewed integrated forecasts for the Company, for a period in excess of twelve months from the date that these financial statements were approved, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due for the foreseeable future from dividends received and support from the Group as required.

Investments

Fixed asset investments are stated at cost less any provision for impairment.

Taxation

Current tax, including UK corporation and foreign 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.

Cash at bank and in hand

Cash at bank and in hand on the balance sheet comprise cash in hand and deposits held at call with banks.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the year in which the dividends are approved by the Company's shareholders.

2. Information regarding directors and employees

The Company has no employees (2013: none). The directors received no remuneration from the Company (2013: none).

REG Tranche 2 Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2014

3. Tax charge on profit on ordinary activities

(a) Tax charge on profit on ordinary activities

The tax charge is made up as follows:

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Current tax | | |
| United Kingdom corporation tax at 22.50% (2013: 23.75%) based on the profit for the year | - | - |
| | <hr/> | <hr/> |
| Total tax in profit and loss | - | - |
| | <hr/> | <hr/> |

(b) Factors affecting tax charge

The tax assessed for the year is lower (2013: lower) than that resulting from applying the standard rate of corporation tax in the UK 22.50% (2013: 23.75%). The differences are explained below:

| | 2014 £ | 2013 £ |
|---|-------------|-----------|
| Profit on ordinary activities before taxation | 10,481,113 | - |
| | <hr/> | <hr/> |
| Theoretical tax at UK corporation tax rate of 22.50% (2013: 23.75%) | 2,358,250 | - |
| Effects of: | | |
| Non-taxable income | (2,358,250) | - |
| | <hr/> | <hr/> |
| Tax charge in profit & loss | - | - |
| | <hr/> | <hr/> |

Profit on disposal of subsidiary qualified for substantial shareholdings exemption and therefore was non-taxable.

4. Fixed asset investments

| | 2014 £ | 2013 £ |
|--------------------------------|-----------|-----------|
| Cost and net book value | | |
| At 1 July | 3,000 | 3,000 |
| Disposals (note 10) | (1,000) | - |
| | <hr/> | <hr/> |
| At 30 June | 2,000 | 3,000 |
| | <hr/> | <hr/> |

The Company holds 2 separate investments of £1,000 in 100% of the ordinary share capital of the following companies:

REG High Haswell Limited
REG Loscar Limited

REG Tranche 2 Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2014

5. Debtors

| | 2014 £ | 2013 £ |
|--------------------------------------|-----------|-----------|
| Called-up share capital not yet paid | 1 | 1 |

6. Creditors: amounts falling due after more than one year

| | 2014 £ | 2013 £ |
|------------------------------------|-----------|-----------|
| Amounts owed to group undertakings | 2,000 | 4,000 |

7. Called-up share capital

| | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Allotted, called-up and fully paid | | |
| 1 Ordinary share of £1 at par | 1 | 1 |

8. Reconciliation of shareholders' funds and movement on reserves

| | Called-up share capital £ | Profit and loss account £ | Total £ |
|---------------------|------------------------------------|------------------------------------|--------------|
| At 1 July 2013 | 1 | - | 1 |
| Profit for the year | - | 10,481,113 | 10,481,113 |
| Dividends (note 9) | - | (10,481,113) | (10,481,113) |
| At 30 June 2014 | 1 | - | 1 |

REG Tranche 2 Holdings Limited

Notes to the financial statements (continued) For the year ended 30 June 2014

9. Dividends per share

| | 2014 | 2013 |
|---|------------|------|
| | £ | £ |
| Declared and paid during the year | | |
| Equity dividends on ordinary shares | | |
| Interim Dividend for 2014 paid of £10,481,113 (2013: £nil) per ordinary share | 10,481,113 | - |

10. Disposal of subsidiary

On 6 September 2013 the Company entered into a sale agreement to dispose of REG Goonhilly Limited. The disposal was effected in order to recycle capital into the build out of the Group's significant development pipeline.

The disposal was completed on 6 September 2013 on which date control passed to the acquirer.

A gain of £10.5m arose on the disposal and was calculated as follows:

| | £ |
|----------------------------|--------------|
| Proceeds | 25,163,217 |
| Assignment of project debt | (14,488,217) |
| Investment | (1,000) |
| Fees | (192,887) |
| Profit on disposal | 10,481,113 |

11. Related party disclosures

The Company has taken advantage of the exemption under Financial Reporting Standard 8 from providing details of related party transactions with group related parties.

12. Ultimate parent undertaking

The ultimate parent undertaking and controlling party is Renewable Energy Generation Limited, a company incorporated in Jersey. The Registered Office of the ultimate parent undertaking is Elizabeth House, 9 Castle Street, St Helier, Jersey, JE4 2QP. Renewable Energy Generation Limited prepares the consolidated financial statements and is the smallest and largest member of the group which prepares consolidated financial statements.

The immediate parent company is REG Holdings Limited. A company registered in England & Wales. The financial statements are available from the registered office given on page 1.