

**Beatrice Offshore Windfarm Limited**  
Directors' report and  
financial statements

**Year ended 31 March 2014**

*Registered number: SC350248*



# Beatrice Offshore Windfarm Limited

## Directors' report and financial statements

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# Beatrice Offshore Windfarm Limited

## Directors and other information

### **Directors**

R. Bonnar  
R. Escott  
F. McCutcheon  
J.C. Santaclara (resigned 06 August 2014)  
A.P. Collar

### **Registered office**

Inveralmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ  
Scotland

### **Secretary**

P. J. Murphy

### **Solicitors**

SSE Legal Counsel  
Inveralmond House  
200 Dunkeld Road  
Perth  
PH1 3AQ  
Scotland

### **Auditor**

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

### **Bankers**

Ulster Bank  
11-16 Donegal Square East  
Belfast BT1 5UB  
Northern Ireland

# Beatrice Offshore Windfarm Limited

Registered number: SC350248

## Directors' report

The directors present their report together with the audited financial statements of the company for the year ended 31 March 2014.

### Strategic Report

The company has availed of the exemption under the Companies Acts 2006 (Strategic Report and Directors' Report) Regulations 2013 from implementing the Strategic Report requirements as the Company qualifies as a small company for Company Law purposes.

### Principal activity, business review (including principal risks and uncertainties) and future developments

The company is currently engaged in the development with a view to the construction and operation of a 920MW offshore windfarm in Scotland.

The company's immediate parent company is SSE Beatrice Offshore Windfarm Holdings (UK) Limited, owning 75% of the issued ordinary shares of the company. Repsol Beatrice Limited (formerly known as SeaEnergy Renewables Beatrice Limited) is a minority shareholder owning the remaining 25% of the ordinary share capital of the company.

Beatrice Offshore Windfarm was successful in obtaining an Investment Contract (IC) from the UK Government in April 2014 for a maximum 664MW wind farm. The principal risk facing the company remains the economic viability of the Beatrice project. To address these concerns, the directors of the company have established a working alliance with key contractors and suppliers that have been integrated into the project team with a view to reducing capital and operational spend, enhancing value and efficiencies in project delivery and maximising project revenues.

Following a strategic review SSE are considering the future direction of their investment and are considering their options to reduce its stake in the project from 75% at present to no more than 50%.

### Results for the year and state of affairs as at 31 March 2014

The balance sheet at 31 March 2014 is set out on page 10 and indicates net assets of nil (2013: nil). The directors do not recommend the payment of a dividend.

### Directors and secretary

The following were appointed during the year:

Director	Appointment date
A. Collar	07 August 2014

The following have resigned from office during the year:

Director	Resignation date
J. C. Santaclara	06 August 2014

The directors and secretary who served during the year are as listed on page 1. In accordance with the Articles of Association of the company the directors are not required to retire by rotation.

# Beatrice Offshore Windfarm Limited

Registered number: SC350248

## Directors' report (*continued*)

### **Directors' and secretary's interests**

No directors or secretary held any interests in the company at 31 March 2014.

### **Post balance sheet events**

There have been no significant events since the balance sheet date.

### **Political and charitable donations**

The company did not make any political or charitable donations during the year (2013: £nil).

### **Going Concern**

The company is depending on ongoing financial support from its shareholders. The financial statements have been prepared on a going concern basis which assumes adequate finance will be available for the foreseeable future. The shareholders have given undertakings to make available such funds to enable the company to meet its obligations for a period of at least 12 months.

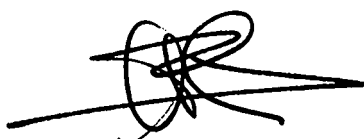
### **Disclosure of information to auditors**

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

### **Auditor**

In accordance with Section 487 of the Companies Act, 2006, the auditor KPMG, Chartered Accountants, will continue in office.

On behalf of the Board



Antonio Perez Collar  
Director



Finlay McCutcheon  
Director

30 September 2014

# Beatrice Offshore Windfarm Limited

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

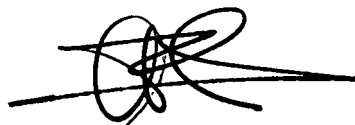
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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

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

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

On behalf of the Board



Antonio Perez Collar  
*Director*



Finlay McCutcheon  
*Director*



# Independent auditor's report to the members of Beatrice Offshore Windfarm Limited

KPMG  
Audit  
St. Stephen's Green  
Dublin 2  
Ireland

We have audited the financial statements of Beatrice Offshore Windfarm Limited for the year ended 31 March 2014 set out on pages 9 to 15, which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

## Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 Financial Reporting Council'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 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 31 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Opinion on other 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.



Independent auditor's report to the members of Beatrice Offshore Windfarm Limited (*continued*)

**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
- the directors were not entitled to take advantage of the small companies exemption from the requirements to prepare a strategic report

**C. Mullen (Senior Statutory Auditor)**  
**For and on behalf of KPMG, Statutory Auditor**  
*1 Stokes Place*  
*St. Stephen's Green*  
*Dublin 2*  
*Ireland*

**30 September 2014**



# Beatrice Offshore Windfarm Limited

## Statement of accounting policies

*For the year ended 31 March 2014*

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

### **Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in England and Wales. The financial statements are stated in Pounds Sterling (£'000).

### **Going Concern**

The company is depending on ongoing financial support from its shareholders. The financial statements have been prepared on a going concern basis which assumes adequate finance will be available for the foreseeable future. The shareholders have given undertakings to make available such funds to enable the company to meet its obligations for a period of at least 12 months.

### **Cash flow statement**

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement as part of its financial statements because it is a small entity as defined in the Companies Act (2006).

### **Tangible fixed assets**

Tangible fixed assets are stated at original cost, net of accumulated depreciation and any provisions for impairment.

Assets in development are recorded at cost. Depreciation of assets in construction commences when the asset is placed in service. Interest on borrowing and arrangement fees related to the financing of major capital projects are capitalised during construction, as part of the cost of the project. Capitalisation of these interest costs ceases when the asset is ready for service.

### **Foreign currency**

Transactions denominated in foreign currencies are recorded in sterling at actual exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange prevailing at the balance sheet date.

Gains and losses arising from changes in exchange rates subsequent to the dates of transactions are included in the profit and loss account.

# Beatrice Offshore Windfarm Limited

## Statement of accounting policies *(continued)*

### **Taxation**

Current tax, including UK corporation and foreign tax, is provided on the company's taxable profits at amounts expected to be paid (or recovered) using the tax rates and laws enacted or substantially 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 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.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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 there will be suitable profits from which future reversals of the underlying timing differences can be deducted.

# Beatrice Offshore Windfarm Limited

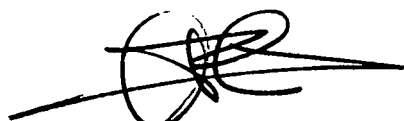
## Profit and loss Account

*For the year ended 31 March 2014*

	<i>Note</i>	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
<b>Loss on ordinary activities before taxation</b>		-	-
Tax loss on ordinary activities	3	-	(4)
		<hr/>	<hr/>
<b>Loss for the financial year</b>	10	-	(4)
		<hr/>	<hr/>

The company had no recognised gains or losses in the current year or prior financial year other than those dealt with in the profit and loss account.

On behalf of the Board



Antonio Perez Collar  
*Director*



Finlay McCutcheon  
*Director*

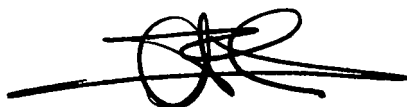
# Beatrice Offshore Windfarm Limited : 0350248

## Balance sheet

As at 31 March 2014

	Note	2014 £'000	2013 £'000
<b>Fixed assets</b>			
Tangible assets	4	18,929	10,239
<b>Current assets</b>			
Debtors	5	817	102
Cash at bank and in hand		1,411	803
		2,228	905
<b>Creditors: amounts falling due within one year</b>	6	(2,768)	(1,783)
<b>Net current liabilities</b>		(540)	(878)
<b>Total assets less current liabilities</b>		18,389	9,361
<b>Creditors: amounts falling after one year</b>	7	(18,389)	(9,361)
Provisions for liabilities and charges	8	-	-
<b>Net assets</b>		-	-
<b>Capital and reserves</b>			
Called up share capital	9	-	-
Profit and loss account	10	-	-
<b>Shareholders' funds</b>	10	-	-

On behalf of the Board



Antonio Perez Collar  
Director



Finlay McCutcheon  
Director

# Beatrice Offshore Windfarm Limited

## Notes

*forming part of the financial statements*

### 1 Ownership and operation

The company's immediate parent company is SSE Beatrice Offshore Windfarm Holdings (UK) Limited, owning 75% of the issued ordinary shares of the company. Repsol Beatrice Limited (formerly known as SeaEnergy Renewables Beatrice Limited) is a minority shareholder owning the remaining 25% of the ordinary share capital of the company.

The company's ultimate parent undertaking is SSE plc, registered in the United Kingdom. The largest and smallest group in which the results of the company are consolidated is that headed by SSE plc. The consolidated financial statements of SSE plc are available to the public and may be obtained from its registered office at Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ.

No other company financial statements include the results of Beatrice Offshore Windfarm Limited.

### 2 Statutory and other information

Auditor's remuneration of £1,000 (2013: £1,000) has been borne by another group company in the current and prior year.

None of the directors received any emoluments in respect of fees or services to the company in the year ended 31 March 2014 (2013: £nil).

The company had no employees in the current or prior year.

### 3 Taxation

	2014 £'000	2013 £'000
<i>Current taxation</i>		
Adjustments in respect of previous periods	-	50
	<hr/>	<hr/>
	-	50
<i>Deferred taxation</i>		
Adjustments in respect of previous periods	-	(46)
	<hr/>	<hr/>
<b>Tax charge/(credit) on profit on ordinary activities</b>	<hr/> <b>-</b> <hr/>	<hr/> <b>4</b> <hr/>

The Finance Act 2013 announced a reduction in the Corporation tax rate for Financial year 2014 to 21% and a further 1% rate reduction, with the rate being reduced to 20% for Financial year 2015. This change will reduce the Company's future tax charge which has the effect of reducing the Company's net deferred tax assets/liabilities at 31 March 2014 by Nil (Year ended 31 March 2013 - £1).

# Beatrice Offshore Windfarm Limited

## Notes (continued)

### 4 Tangible fixed assets

	Assets under development 2014 £'000
<i>Cost</i>	
Balance at beginning of year	10,239
Additions during the year	8,690
<b>Balance at end of year</b>	<b>18,929</b>
<i>Accumulated depreciation</i>	
Balance at beginning of year	-
Charge for the year	-
<b>Balance at end of year</b>	<b>-</b>
<i>Net book value</i>	
<b>At 31 March 2014</b>	<b>18,929</b>
At 31 March 2013	10,239

Tangible fixed assets include £836k of capitalised interest (2013: £444k).

### 5 Debtors

	2014 £'000	2013 £'000
VAT Receivable	806	94
Other debtors	11	7
	<b>817</b>	<b>101</b>

# Beatrice Offshore Windfarm Limited

## Notes (*continued*)

### 6 Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade and other payables	897	2
Accruals	1,871	1,781
	<hr/>	<hr/>
	2,768	1,783
	<hr/>	<hr/>

### 7 Creditors: amounts falling after one year

	2014 £'000	2013 £'000
Long-term loan – Repsol	3,785	1,932
Long-term loan – SSE Holdings UK Limited	14,604	7,429
	<hr/>	<hr/>
	18,389	9,931
	<hr/>	<hr/>

The long-term loans are unsecured and have no fixed repayment period. 75% of both loans are interest bearing at 4% above 3 month LIBOR. The remaining 25% is interest free.

### 8 Provisions for liabilities and charges

	2014 £'000	2013 £'000
<i>Deferred taxation</i>		
At beginning of year	-	47
Change in year	-	(47)
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>

# Beatrice Offshore Windfarm Limited

## Notes (continued)

### 9 Called up share capital

	2014 £	2013 £
<i>Authorised</i>		
375,006,400 ordinary-A shares of £0.01 each	3,750,064	3,750,064
2,500 ordinary-B shares of £0.01 each	25	25
	<hr/>	<hr/>
	3,750,089	3,750,089
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>		
7,500 ordinary-A shares of £0.01 each	75	75
2,500 ordinary-B shares of £0.01 each	25	25
	<hr/>	<hr/>
<i>Allotted, called up and fully paid:</i>	100	100
1 ordinary share of £1	<hr/>	<hr/>

### 10 Reconciliation of profit and loss account and shareholders' funds

	Profit and loss account		Shareholders' funds	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Balance at beginning of year	-	4	-	4
(Loss)/profit for the financial year	-	(4)	-	(4)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at end of year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>



# Beatrice Offshore Windfarm Limited

## Notes (*continued*)

### 11 Capital Commitments

As at 31 March 2014, the company had a total of £1.87m (2013:£598k) of capital commitments.

### 12 Related party transactions

During the year the company entered into the following transactions, in the ordinary course of business, with related parties. To the extent not disclosed elsewhere in these financial statements details of transactions and balances with related parties are summarised below:

	<b>Transactions for the Year ended 31 March 2014 £'000</b>	<b>Transactions for the Year ended 31 March 2013 £'000</b>
SSE Holdings UK Limited: increase in loan (Long Term)	7,175	2,608
Repsol Beatrice Limited: increase in loan (Long Term)	1,853	518
	<hr/>	<hr/>

The long term loans include the following interest charges in the year.

	<b>Capitalised £'000</b>	<b>Capitalised £'000</b>
SSE Holdings UK Limited	312	198
Repsol Beatrice Limited	80	52
	<hr/>	<hr/>

### 13 Approval of financial statements

The directors approved these financial statements on 30 September 2014.