BlackRock Renewables UK Limited

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

For the period 17 December 2012 (Date of Incorporation) to 31 December 2013

COMPANY NUMBER: 8333324

CONTENTS

COMPANY INFORMATION

Directors	Peter George Raftery Charles Desmond Kyrle Reid
Registered Office	12 Throgmorton Avenue London EC2N 2DL England
Registered Number	8333324
Bank	The Bank of New York Mellon SA/NV 46 Rue Montoyerstraat B-1000 Brussels Belgium
Independent Auditor	Deloitte & Touche Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
Corporate Administrator	BNY Mellon Fund Services (Ireland) Limited Guild House Guild Street IFSC Dublin 1 Ireland

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the 13 month period ended 31 December 2013, representing the first set of results from date of incorporation. Accordingly, no comparative information is presented.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

BlackRock Renewables UK Limited (the "Company"), a UK registered company, was incorporated on 17 December 2012). The Company was established as a vehicle to provide investment into UK renewable power assets through equity and debt instruments, focusing on acquiring primarily wind and solar power projects at operational and pre-operational stages. It funds this through the issuance of loan notes with related parties.

Please see the Statement of Comprehensive Income on page 7 for details on results.

FUTURE DEVELOPMENTS

The Directors expect the current level of activities to continue in the foreseeable future.

RESULTS AND DIVIDENDS

The results for the year are shown on page 7. The Directors do not recommend the payment of a dividend.

CHANGES IN DIRECTORS, SECRETARY AND REGISTERED OFFICE

There was no change in directors, company secretary or registered office during the period.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

The Directors or the Company Secretary had no beneficial interest in the share capital of the Company at the date of appointment or at the end of the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Company relate to the financial instruments held by it and are set out in Note 14 to the financial statements.

POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

TRANSACTIONS WITH DIRECTORS

The Directors of the Company are all employees of BlackRock Group. There were no fees paid in respect of compensation to the Directors for their services in managing the Company or its subsidiaries.

POLITICAL AND CHARITABLE DONATIONS

The Company did not make any political or charitable donations during the period.

EMPLOYEES

The Company has no direct employees. Services are provided by both the management company of the BlackRock Renewable Power Fund, a limited partnership (the "Fund"), and BNY Mellon Fund Services (Ireland) Limited. Due to the nature of the services provided it is not possible to separately ascertain specific employee numbers.

DIRECTORS' REPORT (Continued)

CREDITORS

The Company had no trade creditors throughout or at the end of the period ended 31 December 2013. It acknowledges the importance of paying invoices in a timely manner and always endeavours to abide by any agreed terms of payment.

BOOKS OF ACCOUNT

The Directors ensure that proper books and accounting records are kept by employing accounting personnel with the appropriate expertise and by providing adequate resources to the finance function.

Those books of account and accounting records are maintained at the Administrator's office at Guild House, Guild Street, IFSC, Dublin 1, Ireland.

On behalf of the board

Charles Reid
Director

Date: 5 June 2014

Company Number : 8333324

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

UK company law requires the Directors to prepare financial statements for each financial year. The Directors have prepared the Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU). The financial statements are required by law to 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 that the financial statements comply with IFRS as adopted by the EU, subject to any material departure 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, in which case there should be supporting assumptions or qualifications as necessary.

The Directors are responsible for keeping proper books of 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 to enable them to ensure that the financial 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.

Each of the Directors, whose name and functions are listed in the Company Information section of this Annual Report and Accounts, confirms that to the best of each person's knowledge and belief:

- The financial statements, prepared in accordance with IFRS as adopted by the EU and in accordance with the Companies Act 2006, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- The Directors' report contained in the Annual Report and Accounts which comprises the sections described in the Directors' report section, includes a fair review of the development and performance of the business and the position of the Company and a description of the principal risks and uncertainties that they face;
- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- They have each taken all the steps that ought to have been taken by them as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

On behalf of the board

Charles Reid
Director

Date: 5 June 2014

Company Number : 8333324

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKROCK RENEWABLES UK LIMITED

We have audited the financial statements of BlackRock Renewables UK Limited ("The Company") for the period from 17 December 2012 (Date of Incorporation) to 31 December 2013 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 31 December 2013 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLACKROCK RENEWABLES UK LIMITED

Separate opinion in relation to IFRSs as issued by the IASB
As explained in Note 2 to the financial statements, the Company in addition to applying IFRSs as adopted by the European Union, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception[1]
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.

Michael Hartwell

For and on behalf of Deloitte & Touche
Chartered Accountants and Statutory Audit Firm
Dublin

5 June 2014

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2013

	Notes	2013 £'000
Dividend income		1,393
Net changes in fair value on financial assets and financial liabilities at fair value through profit or loss	7,13	1,363
Total income		2,756
Expenses		
Interest expense		662
Total expenses		662
Operating profit		2,094
Finance costs		-
Operating profit before tax on ordinary activities		2,094
Tax on profit on ordinary activities	6	-
Net increase in shareholders equity resulting from operating activities		2,094

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Notes	2013 £'000
Assets		
Financial assets at fair value through profit or loss	7,15	27,870
Cash and cash equivalents	8	2,475
Total assets		30,345
Liabilities		
Deposits and payables	10,16	27,589
Accrued interest payable		662
Corporation tax payable	6	-
Total liabilities		28,251
Net assets		2,094
Equity		
Share capital	11	-
Retained earnings		2,094
Total equity		2,094

The accompanying notes form an integral part of the financial statements and were approved by the Board on 5 June 2014 and were signed on its behalf by:

Charles Reid
Director

Date: 5 June 2014

Company Number : 8333324

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2013

	Share capital £'000	Retained earnings £'000	Total equity £'000
Opening balance	-	-	-
Share capital issued	-	-	-
Net increase in shareholders equity resulting from operating activities	-	2,094	2,094
Balance at 31 December 2013	-	2,094	2,094

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2013

	2013 £'000
Cash flows from operating activities	
Net increase in shareholders equity resulting from operating activities	2,094
Adjustments to reconcile net increase in shareholders equity resulting from operating activities to net cash used in operating activities:	
Increase in operating assets:	
Financial assets at fair value through profit or loss additions	(27,870)
Increase in operating liabilities:	
Accrued interest payable	662
Corporation tax payable	-
Cash used in operating activities	(25,114)
Taxes paid	-
Net cash used in operating activities	(25,114)
Cash flows from financing activities	
Issuance under loan notes	27,589
Net cash provided by financing activities	27,589
Effects of exchange rate changes on cash and cash equivalents	-
Net increase in cash and cash equivalents	2,475
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	2,475
Supplemental disclosures	
Cash received during the year for interest	-
Cash paid during the year for interest	-

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Blackrock Renewables UK Limited (the "Company"), a UK registered Company, was incorporated on 17 December 2012.

The principal accounting policies and notes are set out below, all of which applied for the 13 month period from 17 December 2012 (date of incorporation) to 31 December 2013. Accordingly no comparative information is presented.

In these financial statements BlackRock Renewables UK Limited is referred to the as the "Company" and the "Parent" refers to BlackRock Renewable Holdings Limited. These entities are all part of the BlackRock NTR Renewable Power Fund a limited partnership referred to as the "Fund".

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (collectively "IFRS") as adopted by the European Union (EU) and as applied in accordance with the provisions of the Companies Act 2006.

The IASB has introduced an amendment to IFRS 10 "Consolidated Financial Statements" effective for periods commencing on or after 1 January 2014 (with early adoption permitted). This amendment requires investment entities to fair value relevant subsidiaries through profit or loss rather than consolidate their results. The Directors have concluded that the Company satisfies the criteria to be regarded as an investment entity and have early adopted this amendment.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and the three essential criteria specified in the standard. The three essential criteria are such that the entity must:

1. Obtain funds from one or more investors for the purpose of providing these investors with professional investment management services;
2. Commit to its investors that its business purpose is to invest its funds solely for returns from capital appreciation, investment income or both; and
3. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In satisfying the second essential criteria, the notion of an investment time frame is critical. An investment entity should not hold its investments indefinitely but should have an exit strategy for their realisation. Although the Company has invested in equity interests in SPVs that have an indefinite life; the Company is part of an overall fund structure with a fund life of 10 years demonstrating intent to exit within this timeframe.

The Company does not provide any financial support to non-controlled structured entities, in the absence of contractual obligations, that resulted in control being obtained.

(b) Basis of measurement

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Directors are satisfied that they operate in such a way to ensure the Company will continue to be a going concern.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Basis of preparation (continued)

(c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. Significant accounting policies

(a) Financial instruments

Financial assets and liabilities at fair value through profit or loss

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are only offset and the net amount reported in the statement of financial position when there is a currently enforceable legal right to offset the recognised amounts and the Group intends to settle on a net basis or realise the asset and liability simultaneously.

Financial assets

The classification of financial assets at initial recognition depends on the purpose for which the financial asset was acquired and its characteristics.

All financial assets are initially recognised at fair value. All purchases of financial assets are recorded at trade date, being the date on which the Company became party to the contractual requirements of the financial asset.

The Company has not classified any of its financial assets as Held to Maturity or as Available for Sale.

The Company's financial assets comprise of only loans and receivables and investments held at fair value through profit or loss.

Loans and Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They principally comprise trade and other receivables and cash and cash equivalents. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition, and subsequently carried at amortised cost using the effective interest rate method, less provisions for impairment.

A provision for impairment is made where there is objective evidence (including counterparties with financial difficulties or in default on payments) that amounts will not be recovered in accordance with original terms of the agreement. This is established when the carrying value of the receivable exceeds the present value of the future cash flow discounted using the original effective interest rate. If any such indication exists, the asset's recoverable amount, being the higher of the fair value less costs to sell and the value in use of the asset, is estimated. Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the asset's cash-generating unit (i.e. the lowest group of assets in which the asset belongs for which there are separately identifiable cash flows).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

(a) Financial instruments (continued)

Financial assets (continued)

Loans and Receivables (continued)
In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Investments Held at Fair Value Through Profit or Loss
Investments are designated upon initial recognition as held at Fair Value through Profit or Loss. Financial assets are recognised/derecognised at the trade date of the purchase/disposal. Investments are initially recognised at cost, being the fair value of consideration given. Transaction costs are recognised in the Income Statement as incurred. Thereafter, investments are measured at subsequent reporting dates at fair value in accordance with IFRS.

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arms length transaction. Fair value is calculated on an unlevered, discounted cash flow basis in accordance with IAS 39. Gains or losses resulting from the revaluation of investments are recognised in the Statement of Comprehensive Income.

Derecognition of financial assets
A financial asset (in whole or in part) is derecognised either:

- when the Company has transferred substantially all the risks and rewards of ownership; or
- when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- when the contractual right to receive cash flow has expired.

Financial liabilities
Financial liabilities are classified according to the substance of the contractual agreements entered into.

All financial liabilities are initially recognised at fair value net of transaction costs incurred. All financial liabilities are recorded on trade date, being the date on which the Company becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values.

The Company's financial liabilities consist of only financial liabilities measured at amortised cost including trade and other payables and other short term monetary liabilities. Financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income.

(b) Cash and cash equivalents
Cash and cash equivalents include cash in hand, demand deposits, time deposits and other short-term highly liquid investments with original maturities of three months or less.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Significant accounting policies (continued)

(c) Taxation

Current tax, including U.K. corporation tax 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 that have been enacted or substantively enacted by the period end date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the end of the period. Provision is made at the rates expected to apply when the timing differences reverse. 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 taxable profits in periods different from those in which they are recognised in the financial statements.

The Company does not recognise a deferred tax provision in respect of timing differences were the future tax settlement value is £Nil.

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.

(d) Transactions in foreign currencies

These financial statements are presented in Sterling pounds ("£") which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The majority of the Company's funding and investments are denominated in £. The Directors of the Company believe that £ most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the foreign currency closing exchange rate ruling at the balance sheet date. Foreign currency exchange differences arising on translation and realised gains and losses on disposals or settlements of monetary assets and liabilities are recognised in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the foreign currency exchange rates ruling at the period end date.

(e) Interest income and interest expense

Interest income and interest expense are recognised in the Statement of Comprehensive Income on an accruals basis.

(f) Critical accounting judgments, estimates and assumptions

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. New standards and interpretations

A number of new standards, amendments to standards and interpretations came into effect during the period ended 31 December 2013. See below for standards and applicable dates.

Pronouncement	Nature of change	Effective date	Impact
Amendments to IAS 1, 'Presentation of financial statements'	The amendments to IAS 1, 'Presentation of Financial Statements' require companies to group together items within other comprehensive income (OCI) that may be reclassified to the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two separate statements. The amendment was endorsed by the EU on 5 June 2012.	Financial periods beginning on or after 1 July 2012	Not significant
Amendments to IAS32 and IFRS 7, 'Financial Instruments on Asset and Liability Offsetting'	These amendments are to the application guidance In IAS 32, "Financial Instruments: Presentation'. that clarify some of the requirement for offsetting financial assets and financial liabilities on the balance Sheet. The IASB has also published an amendment to IFRS 7, 'Financial Instruments; Disclosures'. These new disclosures are intended to facilitate comparison between those entitles that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The revised standards were endorsed by the EU on 13 December 2012.	IFRS 7: Financial periods beginning on or after 1 January 2013 IAS32: Financial periods beginning on or after 1 January 2014	Not significant
IFRS 9 Financial Instruments: Classification and Measurement	This standard has been reissued to include requirements for the classification & measurement of financial liabilities & incorporate existing derecognition requirements; and deferral of mandatory effective date of IFRS 9 & amendments to transition disclosures	Financial periods beginning on or after 1 January 2014	The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets but will potentially have no impact on classification and measurements of financial liabilities. The Company will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. New standards and interpretations (continued)

Pronouncement	Nature of change	Effective date	Impact
IFRS10, 'Consolidated Financial Statements' and amendments to IFRS 10	This standard replaces IAS 27. "Consolidated and Separate Financial Statements" and SIC-12. 'Consolidation – Special Purpose Entities'. It establishes a single control model that applies to all entitles, including those that were previously considered special purpose entitles under SIC-12. An investor controls an investee when it is exposed, or has rights to variable returns from the investee. and has the ability to affect those retums through its power over the investee. The assessment of control is based on all facts and circumstances and the conclusion is reassessed if there Is an indication that there are changes In facts and circumstances. The new standard was endorsed by the EU on 11 December 2012	Financial periods beginning on or after 1 January 2013 Amendments to IFRS 10: Financial periods beginning on or after 1 January 2014	The Company has assessed the impact of IFRS 10 and has early adopted the investment entity consolidation exemption
IFRS 12, 'Disclosure of interests in other entities' and amendments to IFRS 12	The standard requires entities to disclose significant judgments and assumptions made in determining whether the entity controls, jointly controls, significantly influences or has some other interests in other entities. Entities will also be required to provide more disclosures around certain 'structured entities'. The amendments also introduce new disclosure requirements related to investment entities.	Financial periods beginning on or after 1 January 2013	Adoption of the standard has impacted the Company's level of disclosures in certain areas, but has not impacted the Company's financial position or results of operations.
IFRS 13, 'Fair Value Measurement'	This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The standard allows the use of mid prices. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by IFRS.	Financial periods beginning on or after 1 January 2013	The adoption of the standard does not have a material impact on the current measurement techniques being employed.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Auditors' remuneration

	Period ended 31/12/2013 £'000
Statutory audit	-
Tax advisory services	-
Total	-

The auditors' remuneration, totalling £8,000, has been paid by the Parent.

6. Taxation

	As at 31/12/2013 £'000
Current tax	
Current period charges	-
Total current period taxation charge	-

The reconciliation of tax on the profit before taxation, at the UK standard corporation tax rate, to the Company's actual tax charge for the period ended 31 December 2013 is as follows:

	As at 31/12/2013 £'000
Operating profit before tax on ordinary activities for the period	2,094
Profit before tax multiplied by blended rate of corporation tax (23.25%)	487
Non-taxable income	(641)
Interest loss surrendered for Group relief	154
Taxation charge for the period	-

No deferred tax provision has been recognised in respect of temporary timing differences where the future expected tax settlement value is £Nil.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Financial instruments at fair value through profit or loss

	As at 31/12/2013 £'000
Investments at fair value through profit or loss	
Opening balance	-
Investment in equity and loans	27,589
Loan repayments	(1,082)
Movement in accrued interest	-
Disposals	-
Net change in realised gains/(losses) on investments	(1,393)
Net change in unrealised gains on investments	2,756
Total investments at fair value through profit or loss	27,870

8. Cash and cash equivalents

All cash balances at the period end were held at The Bank of New York Mellon, Brussels ("Global Sub-Custodian"). BNY Mellon Trust Company Ireland Limited acts as Custodian for all cash. Funds held on behalf of the Company with the Custodian (or the Custodian's Global Sub-Custodian) will be maintained on deposit with the Custodian (or the Global Sub-Custodian) and in respect of that cash the Company will rank as a general creditor of the Custodian in the event of the Custodian's (or the Global Sub-Custodian's) insolvency.

9. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, originated or acquired, that are not quoted in an active market, not held for trading, and not designated on initial recognition as assets at fair value through profit or loss or as held-for-sale. Loans and receivables are measured at amortised cost. The repayments are limited recourse obligations payable solely from the assets of the borrower.

10. Deposits and payables

Deposits and payables include amounts received from related parties in the form of profit participating loans, and are measured at amortised cost. For details on amounts received, see Note 16, Related Party Transactions.

11. Share capital

	As at 31/12/2013 £'000
Issued and fully paid up	
100 ordinary shares of £1 each	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Measurement basis of financial assets and liabilities

31 December 2013	At fair value through profit or loss Held for trading $'000	 Designated upon initial recognition $'000	Loans and advances held at amortised cost $'000
Financial assets			
Financial assets at fair value through profit or loss	-	27,870	-
Loans and receivables	-	-	-
Cash and cash equivalents	-	-	2,475
Total financial assets	-	27,870	2,475
Financial liabilities			
Deposits and payables	-	-	27,589
Total financial liabilities	-	-	27,589

13. Fair values

The fair value hierarchy has the following levels:

Level 1 comprises financial assets and liabilities valued using quoted market prices in active markets. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Level 2 comprises financial assets and liabilities valued using techniques based significantly on observable market data.

Level 3 comprises financial assets and liabilities valued using techniques where the impact of the non-observable market data is significant in determining the fair value of the instrument. Non-observable market data is not readily available in an active market due to market illiquidity or complexity of the product. These inputs are generally determined based on observable inputs of a similar nature, historic observations on the level of the input or analytical techniques.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Fair values (continued)

The following is a summary of the inputs used as of 31 December 2013 in valuing the Company's financial instruments carried at fair value:

As at 31 December 2013	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Investments	-	-	27,870	27,870
Total financial assets at fair value through profit or loss	-	-	27,870	27,870
As a % of financial assets at fair value	0.0%	0.0%	100.0%	100.0%

The Company held no level 3 investments during the period, and there were no transfers between levels during the period.

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting year (there were no transfers between levels for the period ended 31 December 2013):

	Investments £'000	Total £'000
Financial assets and liabilities at fair value through profit or loss		
Opening balance	-	-
Total gains and losses:		
realised	(2,475)	(2,475)
unrealised	2,756	2,756
Purchases	27,589	27,589
Sales	-	-
Accrued interest	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Closing Balance	27,870	27,870

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Fair values (continued)

The following table analyses within the fair value hierarchy the Company's assets and liabilities not measured at fair value at the year end but for which a fair value is disclosed:

As at 31 December 2013	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Cash and cash equivalents	2,475	-	-	2,475

The assets and liabilities included above are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

Quantitative Information about and Sensitivity of Significant Unobservable Inputs used in Level 3 Fair Value Measurements

The following table provides additional information about valuation methodologies and inputs used for financial instruments that are measured at fair value and categorised within Level 3 as of 31 December 2013:

Investment Type	Balance at 31 December 2013 (GBP in thousands)	Valuation technique(s)	Significant unobservable input(s)/sensitivity of fair value to changes in unobservable inputs (1)	Value/ Range *
Investments	£ 27,870	Discounted Cash Flows	Inflation	30493 - 25484
			Natural Resources	32424 - 23250
			Interest rate	27870 - 27870
			Power Prices	31685 - 24066
			Discount Rate	29974 - 26000

Sensitivity of the fair value to changes in the unobservable inputs:

(1) Significant increase/(decrease) in the unobservable inputs in isolation would result in a significantly higher/(lower) fair value measurement

* Ranges presented reflect the standalone impact for each input if a stress scenario were to arise and don't take into account any reduction in ranges for any natural correlations between inputs

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Financial risk management

The assumptions used in determining whether the Company satisfies the criteria to be regarded as an investment entity are disclosed in Note 2. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are those used to determine the fair value of the investments.

There are a number of key assumptions that have a significant impact on the carrying value of the investments with regard to discounting future cash flows. These are the useful life of the assets, the discount factor, the price at which the power and associated benefits can be sold and the amount of electricity the assets are expected to produce. Changes in these estimates or assumptions can result in significant variations in the carrying value and amounts charged or credited to the Statement of Comprehensive Income in specific periods.

Useful lives are based on the Company's estimates of the period over which the assets will generate revenue; these are reviewed and adjusted if appropriate at each balance sheet date. The estimated useful life of Wind and Solar farm assets is 25 years. However, the actual useful life may be a shorter or longer period depending on the actual operating conditions experienced by the asset.

The discount rate used reflects the Company's required rate of return for these investments and it is reasonable an alternative assumption may be used resulting in a different value. This rate is reviewed annually by the Company to ensure it is set at the appropriate level, taking into account any recent market transactions were similar in nature when considering any changes to the rate used.

The price at which the output from the generating assets is sold is based on two elements, the first typically being a fixed price under a power purchase agreement ("PPA") or a fixed income tariff ("FIT") for a specific term and the second being future pricing. Future prices are estimated using external third party forecasts which take the form of specialist consultancy reports. The future power price assumptions will be reviewed as and when these forecasts are updated. There is an inherent uncertainty in future wholesale electricity price projection.

External reports are used to estimate the expected electrical output from the wind or solar farm assets taking into account various factors at each location and generation data from historical operations. The actual electrical output may differ from that estimated in such a report mainly due to the variability of actual production that is modelled in any one period. Assumptions around electrical output will only be changed if there is evidence to suggest there has been a material change in this expectation.

The Company's activities expose it to a variety of financial risks: market risk (including other price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The Company is also exposed to operational risks such as settlement risk.

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance. All investments present a risk of loss of capital. The maximum loss of capital on the Company's investments is limited to the fair value of those positions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Financial risk management (continued)

The fair value of the investments is subject to the following principal risks and uncertainties:

Renewables Policy Changes
If the Renewables industry was to reduce or fundamentally change its support for increased use of energy from Renewable sources including generation of electricity from wind or solar, this could have an adverse effect on international, national or local government authority support in the promotion of such energy sources. If an authority was to reduce the value of any green benefits relied upon by the company retrospectively to current operating projects this could have a material adverse effect on the company.

Market Pricing
A decline in the market price of electricity could materially adversely affect revenues and financial conditions. Similarly, a decline in the costs of other sources of electricity generation, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity and thus the price achieved for electricity generated by the Company's wind or solar farms. At present the Company does not hedge its sales of electricity generated. The Company monitors current and forecasted electricity prices via the engagement of appropriate market experts in power pricing and would commence hedging if required.

Natural Resources
The Company's revenues are dependent upon the weather conditions at the respective wind and solar farms and conditions at any site can vary materially across seasons and years. It is the Company's investment policy to mitigate this risk by using the central estimate (known as P50) for expected resources from the output of the energy assessment that predict long term yields. A P50 figure indicates the probability of reaching a higher or lower annual energy production.

Useful Life
Wind turbines or solar panels may have shorter life-spans than their expected life-span of 25 years. In the event that they do not operate for the period of time assumed by the Company in its investment model or require additional maintenance expenditure to do so, it could have a material adverse effect on performance. The Company only utilises technology's that have an appropriate operational track record. Regular maintenance ensures that all technology is in good working order and all turbines and panels are fit for purpose over their expected life spans.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Financial risk management (continued)

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

Market risk embodies the potential for both losses and gains and includes price risk, currency risk and interest rate risk as detailed below.

(i) Price risk

The analysis and management of price risks are monitored and assessed at all stages in the investment selection process

The Company's financial assets exposed to price risk were concentrated in the following industries as at 31 December 2013:

As at 31 December 2013		**Fair value £'000**	**Financial assets held at fair value %**
Industry Type	**Place of Business**		
Wind Farm	United Kingdom	27,870	100.00
Total		27,870	100.00

(ii) Foreign currency risk

Foreign currency risk exists where assets and liabilities are denominated in currencies other than the functional currency. The Company may use forward currency contracts for the purpose of economically hedging its foreign currency risk exposure There were no open foreign currency contracts at the year end.

The Company's currency risk is managed on a daily basis in accordance with policies and procedures in place. The analysis and management of market risks are monitored and assessed at all stages in the investment selection process. The Company's overall currency positions and exposures are monitored on a regular basis by the Board of Directors.

The Company held no foreign currency assets or liabilities at the year end and therefore had no foreign currency risk exposure.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Financial risk management (continued)

(a) Market risk (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table details the interest rate profile of the Company's financial assets and financial liabilities as at 31 December 2013:

As at 31 December 2013	Fixed £'000	Floating £'000	Non interest bearing £'000	Total £'000
Financial assets				
GBP	-	-	30,345	30,345
Total	-	-	30,345	30,345
Financial liabilities				
GBP	12,740	-	15,511	28,251
Total	12,740	-	15,511	28,251

The following table details the Company's exposure to interest rate risks as at 31 December 2013. It includes the Company's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity date:

As at 31 December 2013	Up to 1 year £'000	1 - 3 years £'000	Over 3 years £'000	Non interest bearing £'000	Total £'000
Assets					
Financial assets at fair value through profit or loss	-	-	-	27,870	27,870
Cash and cash equivalents	-	-	-	2,475	2,475
Total assets	-	-	-	30,345	30,345
Liabilities					
Deposits and payables	12,740	-	-	14,849	27,589
Accrued interest payable	662	-	-	-	662
Corporation tax payable	-	-	-	-	-
Total liabilities	13,402	-	-	14,849	28,251
Total interest sensitivity gap	(13,402)	-	-	15,496	2,094

The Company's interest rate risk is managed in accordance with policies and procedures in place. The analysis and management of interest rate risks are monitored and assessed at all stages in the investment selection process. The Company's overall interest rate risks are monitored on a regular basis by the Board of Directors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Financial risk management (continued)

(a) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The main liability of the Company is associated with the repayment of the Profit Participation Loan but it is subordinate to the claims of all other creditors of the Company and is of limited recourse. The Company may invest in illiquid assets for which there is no established resale market. The Company might only be able to liquidate these assets at disadvantageous prices, should it become necessary. Illiquidity in certain assets could make it difficult for the Company to liquidate assets in favourable terms, thereby resulting in losses or a decrease in the Total Assets of the Company.

At 31 December 2013, the Company's financial assets and liabilities classified into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date were as follows:

As at 31 December 2013	Less than 1 month £'000	1 - 3 months £'000	3 months to 1 year £'000	Over 1 year £'000
Financial assets				
Financial assets at fair value through profit or loss	-	-	-	27,870
Cash and cash equivalents	2,475	-	-	-
Total assets	2,475	-	-	27,870
Financial liabilities				
Deposits and payables	-	-	12,740	14,849
Accrued interest payable	-	-	662	-
Total liabilities	-	-	13,402	14,849

The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant. The Company's liquidity risk is managed in accordance with policies and procedures in place. The analysis and management of liquidity risks are monitored and assessed at all stages in the investment selection process. The Company's overall liquidity risks are monitored on a regular basis by the board of Directors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. Financial risk management (continued)

(b) Credit risk

The Company is exposed to credit/counterparty risk on parties with whom it trades and bears the risk of settlement default. The Company currently only has exposure to related parties and as such the credit risk exposure is minimal.

Financial assets which potentially expose the Fund to counterparty credit risk consist principally of loans, investments in cash balances and deposits with brokers and other receivables.

The extent of the Company's exposure to counterparty credit risk in respect of these financial assets approximates their carrying value as recorded in the Statement of Financial Position.

The carrying amount of financial assets best represents the maximum credit risk exposure at the balance sheet date. At year end, the Company's financial assets exposed to credit risk amounted to the following:

	As at 31 December 2013 £'000
Financial assets at fair value through profit or loss	27,870
Cash and cash equivalents	2,475
Total	30,345

All the Company's cash and cash equivalents are held on deposit with The Bank of New York Mellon, Brussels who at the period end had a long term deposit rating of Aa3 and a short term deposit rating of P-1.

15. Unconsolidated subsidiaries

The Company has holdings in the following entities which are not consolidated as the Company is an investment entity as defined under IFRS 10, "Consolidated Financial Statements". Accordingly the value of these holdings has been included in the fair value through profit or loss line. Refer to note 2 and note 7 for further details.

As at 31 December 2013

Names	Farm Activity	Place of Business	Country of Incorporation	Ownership % Held
Goonhilly Limited	Wind Farm	United Kingdom	United Kingdom	100%
Tranche 3 Holdings Limited	Wind Farm	United Kingdom	United Kingdom	100%

The Company does not provide any financial support to non-controlled structured entities, in the absence of contractual obligations, that resulted in control being obtained.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. Related party transactions

The Company is a wholly owned entity of BlackRock Renewable Holdings Limited. There is no ultimate controlling party as the Company forms part of the BlackRock NTR Renewable Power Fund which is a limited partnership.

In accordance with section 413 of the Companies Act 2006, for the purpose of the Companies Act disclosures, Directors means the Board of Directors and any part Directors who were Directors during the relevant period. There were no loans, quasi loans, credit transactions or remuneration between the Company and its Directors or Key Management personal during or at the period ended 31 December 2013. There was also no compensation or additional benefits paid to any Director for its services for managing the company or its subsidiaries for the period ended 31 December 2013, other than as employees of BlackRock group.

The aggregate amounts outstanding in respect of all loans and deposits between the Company and related parties for the period ended 31 December 2013 are outlined below;

- it has borrowed loans of £12,740 thousand with BlackRock Renewable Finance (Dublin) Limited, to enable the investment in a number of Irish Wind Farms, a related party and accrued interest payable of £662 thousand;
- it has borrowed £14,849 thousand from Renewable Holdings Limited in the form of loan notes, recognising an expense of £Nil for the period ended 31 December 2013; and

17. Post balance sheet events

There were no significant events affecting the Company since the balance sheet date.

18. Approval of financial statements

The Board of Directors approved the financial statements on 5 June 2014.

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