

Registered Number: 04493791

Glens of Foudland Wind Farm Limited

Annual report and financial statements
For the year ended 31 December 2009

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Glens of Foudland Wind Farm Limited

Annual report and financial statements for the year ended 31 December 2009

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Glens of Foudland Wind Farm Limited

Directors' report for the year ended 31 December 2009

The directors present their annual report and the audited financial statements of Glens of Foudland Wind Farm Limited ("the Company") for the year ended 31 December 2009

Principal activities

The principal activity of the Company is the operation of onshore wind farms

Review of business and future developments

During the year the Company continued generation from its site in Aberdeenshire. The site comprises 20 1.3MW turbines, giving installed capacity of 26MW. Commercial generation is expected to continue for the foreseeable future.

On 11 December 2009, a 50% interest in the Company's immediate parent company, GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited), was sold by Centrica Renewable Energy Limited, to Boreas Holdings S à r l, a company registered in Luxembourg.

Key performance indicators ("KPIs")

To create the maximum renewable energy the Company monitors the effectiveness and efficiency of the wind farm on a regular basis and ensures a high level of availability. For 2009 the availability was in line with management expectations.

Principal risks and uncertainties

The Company's principal risk is related to the availability of the wind farm which is driven by the technical performance of the wind turbines and ancillary equipment and access to the wind farm. Exposure to availability risk is minimised by certain guarantees received from the wind farm's maintenance contractor.

Sales of generated electricity and associated environmental credits (Renewable Obligation Certificates and Levy Exemption Certificates) are made at market-based prices. A principal risk on the rate of return for the company is the exposure to the market price risk.

Results and dividends

The results of the company are set out on page 5. The profit on ordinary activities after taxation for the year ended 31 December 2009 is £3,681,000 (2008: £6,034,000). No dividends were paid for the year ended 31 December 2009 (2008: £nil). The directors do not recommend the payment of a final dividend (2008: £nil).

Financial position

The financial position of the Company is presented in the balance sheet on page 6. Shareholders' funds at 31 December 2009 were £14,022,000 (2008: £10,341,000).

Risk management

The directors have established objectives and policies for managing financial risks to enable the Company to achieve its long-term shareholder value growth targets within a prudent risk management framework. These objectives and policies are regularly reviewed. The most significant risks faced by the Company in 2009 related to liquidity risk, counterparty credit risk and electricity price risk, all of which arise in the Company's normal course of business.

- Cash forecasts identifying the liquidity requirements of the Company are produced frequently and reviewed regularly. Until 4 November 2009, liquidity risk was managed through funding arrangements with other Centrica group companies. From 4 November 2009, funding was covered by the loan facility agreement between the Company's immediate parent undertaking and a bank syndicate.
- Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits. Credit risk is predominantly limited to exposures with British Gas Trading Limited.
- In respect of power prices, the Company did not hedge price exposure until 1 October 2009. Subsequently, the Company entered into agreements to sell power at fixed prices to British Gas Trading, a related Centrica group company.

The Company does not take part in hedging of any kind.

Glens of Foudland Wind Farm Limited

Directors' report for the year ended 31 December 2009 (continued)

Directors

The following served as directors during the year and up to the date of signing this report

A S Thompson

J Spence

J-D W Borgeaud (appointed 11 December 2009)

R B Thomas (appointed 11 December 2009)

S E Wheeler (resigned 10 December 2009)

G S Collinson (appointed 13 February 2009, resigned 10 December 2009)

Directors' and officers' liability

Directors' and officers' liability insurance was purchased by the ultimate parent company, Centrica plc, and was in place throughout the period under review until 11 December 2009. From 12 December 2009, the directors relied upon the cover of their respective employers, either Centrica plc or TCW Asset Management Company. The insurances do not provide cover in the event that the director is proved to have acted fraudulently or unlawfully.

Creditor payment policy

It is the Company's policy to

- agree the terms of payment in advance with the supplier,
- ensure that suppliers are aware of the terms of payment, and
- pay in accordance with contractual and other legal obligations

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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, in which case there should be supporting assumptions or qualifications as necessary.

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.

Disclosure of information to auditors

Each of the directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware and they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Glens of Foudland Wind Farm Limited

Directors' report for the year ended 31 December 2009 (continued)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office

This report was approved by the Board on 25 June 2010



For and on behalf of
Centrica Secretaries Limited

Company registered in England and Wales No 4493791

Registered office
Millstream
Maidenhead Road
Windsor
Berkshire SL4 5GD

Glens of Foudland Wind Farm Limited

Independent auditors' report to the members of Glens of Foudland Wind Farm Limited

We have audited the financial statements of Glens of Foudland Wind Farm Limited for the year ended 31 December 2009 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, 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 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.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 2009 and of its profit 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.

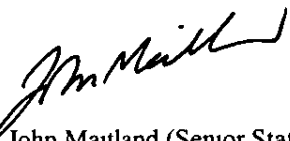
Opinion on other matter prescribed by the Companies Act 2006

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.



John Matland (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 June 2010

Glens of Foudland Wind Farm Limited

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £'000	2008 £'000
Turnover	3	5,957	8,281
Cost of sales		(1,611)	(1,525)
Gross profit		<u>4,346</u>	<u>6,756</u>
Administrative expenses		(800)	(507)
Operating profit	4	<u>3,546</u>	<u>6,249</u>
Interest payable and similar charges	7	(94)	(49)
Profit on ordinary activities before taxation		<u>3,452</u>	<u>6,200</u>
Tax on profit on ordinary activities	8	229	(166)
Retained profit for the year	14	<u><u>3,681</u></u>	<u><u>6,034</u></u>

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated and their historical cost equivalents

All activities relate to continuing operations

The notes on pages 7 to 15 form part of these financial statements

Glens of Foudland Wind Farm Limited

Balance sheet as at 31 December 2009

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	9	21,552	22,867
Current assets			
Cash		575	74
Debtors	10	964	19,502
		<u>1,539</u>	<u>19,576</u>
Creditors – amounts falling due within one year	11	(2,227)	(24,998)
Net current liabilities		<u>(688)</u>	<u>(5,422)</u>
Total assets less current liabilities		<u>20,864</u>	<u>17,445</u>
Provisions for liabilities and charges	12	(6,842)	(7,104)
Net assets		<u>14,022</u>	<u>10,341</u>
Capital and reserves			
Called up share capital	13	-	-
Profit and loss reserve	14	14,022	10,341
Equity shareholders' funds	15	<u>14,022</u>	<u>10,341</u>

The notes on pages 7 to 15 form part of these financial statements

The financial statements on pages 5 to 15 were approved and authorised for issue by the Board of Directors on 25 June 2010 and were signed on its behalf by



A S Thompson
Director

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009

1 Principal accounting policies

Accounting principles

These financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with United Kingdom Accounting Standards and the Companies Act 2006. The principal accounting policies are set out below.

Turnover

Turnover relates to the sale of generated power and the associated Renewables Obligation Certificates (ROCs) and Levy Exemption Certificates (LECs). Turnover is recognised to the extent that it is virtually certain that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is recognised on the basis of power supplied during the period, together with associated ROCs and LECs, except that the ROC Recycling Benefit is recognised only once the benefit is received.

Tangible fixed assets

Tangible fixed assets are included in the balance sheet at historic cost, less accumulated depreciation. Depreciation is charged on all fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows for these asset classes:

- Plant and machinery	20 years
- Decommissioning asset	20 years

Impairment

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Foreign currency

The financial statements of the Company are presented in sterling, which is the Company's functional currency. Transactions in foreign currencies are initially recorded at either the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date.

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

1 Principal accounting policies (continued)

Taxation

Current tax, being UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been 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

A 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 in the foreseeable future from which the reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

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 substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis

Abandonment provision and decommissioning asset

Provision is made for the net present value of the estimated cost of decommissioning the wind farm at the end of its useful life, based on price levels and technology at the balance sheet date

Changes in these estimates and changes to the discount rates are dealt with prospectively. When this provision gives access to future economic benefits, a decommissioning asset is recognised and included within tangible fixed assets. The decommissioning asset is amortised on a straight-line basis over the useful life of the wind farm, from the date that the asset is brought into use. The unwinding of the discount on the provision is included in the profit and loss account within interest payable

2 Cash flow statements and related party disclosures

The Company is a wholly-owned subsidiary of GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited) and is included in its consolidated financial statements, which are publicly available from Companies House. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard Number 1 (revised 1996) "Cash Flow Statements". The Company is also exempt under the terms of Financial Reporting Standard Number 8 "Related Party Disclosures" from disclosure of transactions with other companies that are part of the GLID Wind Farms TopCo Limited group

3 Segmental reporting

The Company's activities consist solely of operating wind farms. All turnover relates to the principal activity of the business and occurs wholly in the United Kingdom

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

4 Operating profit

	2009	2008
	£'000	£'000
Operating profit is stated after charging:		
Depreciation	1,378	1,279

Auditors' remuneration was £12,000 (2008 £10,000) and relates to fees for the audit of the UK GAAP statutory accounts of Glens of Foudland Wind Farm Limited and includes fees in relation to the audit of the IFRS group consolidation schedules, for the purpose of the Centrica Group audit, prior to the acquisition of 50% of the equity of the Company's immediate parent company by Boreas Holdings S ar l

5 Directors' emoluments

The directors received no emoluments during the year (2008 £nil), as they were employed by other group companies of their respective ultimate parent companies

6 Employee information

The Company had no employees and no staff costs (2008 nil) Any costs relating to staff or directors seconded to the Company were borne by other group companies of their respective ultimate parent companies

7 Interest payable and similar charges

	2009	2008
	£'000	£'000
Interest payable to parent undertaking (note 11)	22	-
Unwinding of discount on abandonment provision (note 12)	72	49
	94	49

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

8 Tax on profit on ordinary activities

	2009 £'000	2008 £'000
(a) Analysis of tax charge / (credit) for the year		
The tax charge / (credit) comprises		
Current tax:		
United Kingdom corporation tax at 28% (2008 28.5%)	168	-
Total current tax	<u>168</u>	-
Deferred tax:		
Effect of change to corporation tax rate	-	(3)
Origination and reversal of timing differences	17	168
Adjustments in respect of prior years	(414)	1
Total tax on profit on ordinary activities	<u>(229)</u>	<u>166</u>

(b) Factors affecting the tax charge for the year

The tax assessed for the year differs from that calculated at the standard rate of corporation tax in the UK (28%, 2008 28.5%). The differences are explained below

	2009 £'000	2008 £'000
Profit on ordinary activities before tax	3,452	6,200
Tax on profit on ordinary activities at standard UK corporation tax rate of 28% (2008 28.5%)	967	1,767
Effects of		
Depreciation on Non Qualifying assets	25	-
Capital allowances in excess of depreciation	(91)	(208)
Timing differences	74	39
Group relief for nil consideration	(790)	(1,439)
UK UK transfer pricing adjustment	(17)	(159)
Tax charge for the year	<u>168</u>	<u>-</u>

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly the Company's profits for 2008 were taxed at an effective rate of 28.5% and the profits for 2009 are taxed at 28%.

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

9 Tangible assets

	Plant and machinery £'000	Decommissioning asset £'000	Total £'000
Cost			
As at 1 January 2009	23,718	3,569	27,287
Revisions	-	63	63
As at 31 December 2009	23,718	3,632	27,350
Accumulated depreciation			
As at 1 January 2009	4,054	366	4,420
Charge for the year	1,186	192	1,378
At 31 December 2009	5,240	558	5,798
Net book value			
At 31 December 2009	18,478	3,074	21,552
At 31 December 2008	19,664	3,203	22,867

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

10 Debtors

	2009	2008
	£'000	£'000
Prepayments	54	-
Accrued income	662	-
Amounts owed by Centrica group undertakings	248	19,502
	<u>964</u>	<u>19,502</u>

Amounts owed by Centrica group undertakings at 31 December 2008 were unsecured, interest-free and repayable on demand. The balance at 31 December 2009 was subject to the terms of the Power Purchase Agreement (note 17)

11 Creditors - amounts falling due within one year

	2009	2008
	£'000	£'000
Amounts owed to Centrica group undertakings	-	24,812
Amounts owed to parent undertaking	1,796	-
Trade creditors	95	-
UK corporation tax	168	-
VAT	27	-
Accruals	141	186
	<u>2,227</u>	<u>24,998</u>

Amounts owed to Centrica group undertakings were unsecured, interest-free and repayable on demand

On 4 November 2009, the Company received a secured loan of £1,531,000 from GLID Wind Farms TopCo Limited, its immediate parent undertaking. The loan is repayable on demand and may be repaid by the Company at any time without penalty. The rate of interest is 9% per annum.

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

12 Provisions for liabilities and charges

	Deferred taxation £'000	Abandonment provision £'000	Total £'000
As at 1 January 2009	3,368	3,736	7,104
Revisions	-	63	63
Unwind of discounting	-	72	72
Profit and loss charge / (credit)	(397)	-	(397)
As at 31 December 2009	2,971	3,871	6,842

Deferred taxation

	As at 1 January 2009 £'000	Profit and loss charge/(credit) £'000	As at 31 December 2009 £'000
Deferred corporation tax			
- accelerated capital allowances	3,517	(323)	3,194
- other timing differences	(149)	(74)	(223)
	3,368	(397)	2,971

Deferred corporation tax provision / (asset) at 28% (2008 28%) is analysed as follows

	Provided		Unprovided	
	At 31 Dec 09 £'000	At 31 Dec 08 £'000	At 31 Dec 09 £'000	At 31 Dec 08 £'000
Deferred corporation tax				
- accelerated capital allowances	3,194	3,517	-	-
- other timing differences	(223)	(149)	-	-
	2,971	3,368	-	-

Abandonment provision

The abandonment provision represents the future expected costs of decommissioning the wind farm at the end of its useful economic life, discounted to its present value. The payment date of total expected future decommissioning costs is uncertain but is currently anticipated to be 2025. In determining the provision the cash flows have been discounted on a pre-tax basis using a real interest rate of 2.0% per annum (2008 2.0% per annum). The assumed rate of inflation is 2.5% (2008 2.5%).

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

13 Called up share capital

	2009 £	2008 £
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

14 Reserves

	Profit and loss reserve £'000	Total £'000
As at 1 January 2009	10,341	10,341
Profit for the financial year	3,681	3,681
At 31 December 2009	<u>14,022</u>	<u>14,022</u>

15 Reconciliation of movements in shareholders' funds

	2009 £'000	2008 £'000
Profit for the financial year	3,681	6,034
Opening shareholders' funds at 1 January	<u>10,341</u>	<u>4,307</u>
Closing shareholders' funds at 31 December	<u>14,022</u>	<u>10,341</u>

16 Capital commitments

The Company had no capital commitments at the year end (2008 £nil)

Glens of Foudland Wind Farm Limited

Notes to the financial statements for the year ended 31 December 2009 (continued)

17 Related parties

Until 11 December 2009, the Company took advantage of the exemptions within FRS 8 "Related party disclosures" from disclosure of transactions with other Centrica group companies. Except for any related party disclosures disclosed in the Centrica plc annual report and accounts 2009, there were no other disclosable related party transactions during the period up to 11 December 2009 (year to 31 December 2008 £nil)

Sales of generated electricity and associated environmental credits from 11 December to 31 December 2009 to British Gas Trading Limited, a wholly-owned subsidiary of Centrica plc, amounted to £557,000 and are included in the turnover for the year. At 31 December 2009, the balance receivable from British Gas Trading Limited for these sales amounted to £375,000, as the corresponding sales had not been invoiced at the balance sheet date, this balance is disclosed in note 10 under accrued income.

At 31 December 2009, the Company had a balance receivable from Centrica Renewable Energy Limited, a wholly-owned subsidiary of Centrica plc, of £248,000 relating to sales of environmental credits prior to 11 December 2009 and other receivables. This amount is disclosed in note 10 under amounts owed by Centrica group undertakings.

18 Going concern

The directors have considered the application of the going concern basis of accounting and believe that for the foreseeable future the Company will have adequate resources to meet its liabilities as they fall due.

19 Ultimate shareholder undertaking

The Company's ultimate parent undertaking and controlling party until 10 December 2009 was Centrica plc, a company registered in England and Wales.

The Company's immediate parent undertaking is GLID Wind Farms TopCo Limited (formerly Centrica Renewable Holdings Limited), a company registered in England and Wales.

Since 11 December 2009, GLID Wind Farms TopCo Limited's immediate shareholder undertakings have been GLID Limited, a company registered in England and Wales, and Boreas Holdings S à r l, a company registered in Luxembourg, each of which holds a 50% interest in the Company.

GLID Limited's ultimate shareholder undertaking is Centrica plc, a company registered in England and Wales. Boreas Holdings S à r l is ultimately controlled by Société Générale, S A, a company registered in France. Société Générale, S A is acting through its subsidiary TCW Asset Management Company which controls the investment funds that are the direct shareholders of Boreas Holdings S à r l.

The consolidated financial statements of Centrica plc can be obtained from www.centrica.com. The consolidated financial statements of Société Générale, S A may be obtained from the Company Secretary at Société Générale, S A, 75886 Paris Cedex 18, France.