

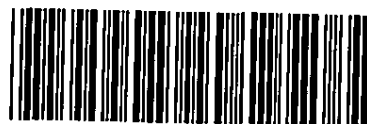
Company Registration No. 07472499

REG Orchard End Limited

Annual Report and Financial Statements

30 June 2012

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REG Orchard End Limited

Annual report and financial statements 2012

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REG Orchard End Limited

Officers and professional advisers

Directors

A Whalley
N Harris
D Crockford
S Wannop
M Partridge

Secretary

D Crockford

Registered Office

2 Station View
Guildford
Surrey
GU1 4JY

Independent auditor

Deloitte LLP
Chartered Accountants
Global House
Crawley
RH10 1DL

REG Orchard End Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the period ended 30 June 2012. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. Further information on the basis of preparation of these financial statements can be found in note 1.

Principal activity

Following the purchase of development assets in 2011 from a fellow group company, the principal activity of the company in the year under review was that of the development of the 40MW wind farm at Orchard End, Lancashire.

Results and dividends

The loss for the year after taxation was £28,067 (2011: £nil).

The directors do not recommend the payment of a dividend (2011: £nil).

Future developments

The company will complete construction of the wind farm in 2013, when the objective of the company will be successful operation of the wind farm and associated trading activities.

Directors

The directors who served throughout the year were as follows:

A Whalley
N Harris
D Crockford
S Wannop
M Partridge

Risks and uncertainties

As outlined in note 1 to these financial statements, the company uses non-derivative financial instruments to manage the risk of foreign exchange movements on costs incurred during construction.

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

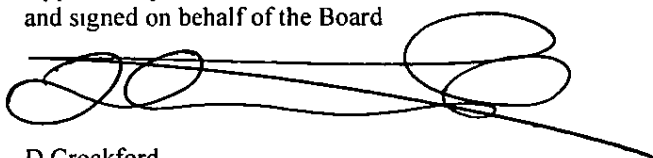
Deloitte LLP have expressed their willingness to continue in office as auditor of the company, and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the director is aware, there is no relevant audit information of which the company's auditor are unaware, and
- (2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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



D Crockford
Director

18 December 2012

REG Orchard End Limited

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual 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 judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of REG Orchard End Limited

We have audited the financial statements of REG Orchard End Limited for the period ended 30 June 2012 which comprise the Profit and loss account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2012 and of its result for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the Directors were not entitled to take advantage of the small companies exemption in preparing the Director's report.



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

18 December 2012

REG Orchard End Limited

Profit and loss account For the year ended 30 June 2012

	Notes	2012 £	2011 £
Administration expenses		(28,067)	-
Loss on ordinary activities before taxation	3	(28,067)	-
Tax charge on loss on ordinary activities	4	-	-
Loss on ordinary activities after taxation		(28,067)	-

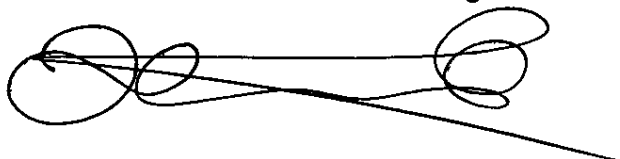
There are no further recognised gains and losses for the current and preceding financial year other than as stated in the profit and loss account and as a result no statement of total recognised gains and losses is given

REG Orchard End Limited

Balance sheet As at 30 June 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	5	-	247,788
Tangible assets	6	2,537,561	-
		<u> </u>	<u> </u>
Current assets			
Debtors	7	1	1
Restricted cash		1,500,260	-
		<u> </u>	<u> </u>
Total assets less current liabilities		4,037,822	247,789
Creditors: amounts falling due after more than one year	8	(4,065,888)	(247,788)
		<u> </u>	<u> </u>
Net liabilities		(28,066)	1
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	(28,067)	-
		<u> </u>	<u> </u>
Shareholder's (deficit) / funds		(28,066)	1
		<u> </u>	<u> </u>

The financial statements of REG Orchard End Limited, registered number 07472499 were approved by the board of directors and authorised for issue on 18 December 2012



D Crockford
Director

REG Orchard End Limited

Notes to the accounts For the period ended 30 June 2012

1. Accounting policies

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

Accounting convention

The financial statements are prepared under the historical cost convention.

Cash flow statement

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

Basis of preparation

The accounts have been prepared on the basis the company is a going concern, which the Directors' consider appropriate for the following reasons:

The directors have separately reviewed integrated forecasts for the Company, for a period in excess of 12 months from the date that these financial statements were approved, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due for the foreseeable future from cash flows from operations and existing working capital and support from group as required.

The directors acknowledge that the directors of the ultimate parent undertaking, Renewable Energy Generation Limited are considering the sale of the Company to a third party. The Company has received confirmation from the directors of Renewable Energy Generation Limited that whilst the Company remains a member of the Group, they will continue to support the Company for a period of not less than 12 months from the date of signing of these accounts. The directors of Renewable Energy Generation Limited have confirmed that they understand that should the sale proceed, the potential buyer intends continue to develop and operate the wind farm within the Company.

As the company is yet to begin generating energy no profit and loss account has been included in these financial statements.

Intangible fixed assets

Intangible assets acquired separately from a business are capitalised at cost. Intangible assets are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Development costs

Costs capitalised as development wind intangibles represent the costs incurred in bringing individual wind farm projects to the consented stage. Costs associated with reaching the consent stage include options over land rights, planning application costs and environment impact studies. These may be costs incurred directly or acquisition of a controlling interest in a project.

The point of capitalization occurs following a site review by the Board, ensuring the key planning, construction and financing risks have been mitigated to a level where the Board considers it probable that the site will deliver future economic benefits in the future. This includes demonstration of technical feasibility, intention to complete, availability of resources, how the asset will generate future economic benefits and the ability to reliably measure expenditure.

REG Orchard End Limited

Notes to the accounts For the period ended 30 June 2012

1. Accounting policies (cont.)

Development wind assets are not amortised until the asset is substantially complete and ready for its intended use. The asset is subjected to impairment testing on an annual basis until this time. At the point the project reaches consented stage and is approved by the Board, the carrying value is transferred to Property, Plant & Equipment as assets under construction. Amortisation is over the expected useful life of the related operating asset. The asset is derecognised on disposal, or when no future economic benefits are expected from their use. The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use or more frequently when an indication of impairment arises during the reporting year.

Tangible fixed assets

Plant and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met.

Assets in the course of construction are stated at cost and are recognised only when it is probable that a project under development will be constructed by the Company. This decision is based on management judgement when the project meets key criteria required for its successful development, including planning permission and grid access.

Depreciation is provided on all tangible fixed assets, other than freehold land, at the following annual rates in order to write off each asset over its estimated useful life:

Operating wind sites - 20 years

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency rate ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date, with movements in the sterling equivalent of the balance being taken to the profit and loss account.

Non derivative financial instruments

The company uses non derivative financial instruments to reduce exposure to exchange rate movements. These comprise of cash balances held in a letter of credit facility as collateral against construction obligations and are presented as restricted cash.

The company does not hold financial instruments for speculative purposes. Hedge accounting has not been adopted in these financial statements.

2. Information regarding directors and employees

The company has no employees. No Directors received any remuneration from the company during the year.

3. Loss on ordinary activities before taxation

	2012	2011
	£	£
Loss on ordinary activities before taxation is stated after charging:		
Losses on foreign exchange	28,067	-

Audit fees in respect of these financial statements were borne by another group company in the current year and prior year.

REG Orchard End Limited

Notes to the accounts For the period ended 30 June 2012

4. Tax charge on loss on ordinary activities

(a) Tax charge on loss on ordinary activities

The tax charge is made up as follows

	2012 £
Current tax	
United Kingdom corporation tax at 25.5% based on the profit for the year	-
Total current tax	-
Deferred tax	
Deferred tax charge	-
Total deferred tax	-
Total tax in profit and loss	-

(b) Factors affecting current tax charge

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK 25.5%. The differences are explained below

	2012 £
Loss on ordinary activities before taxation	(28,067)
Theoretical tax at UK corporation tax rate of 25.5%	7,157
Effects of	
Losses carried forward not recognised	(7,157)
Total current tax	-

5 Intangible fixed assets

	Development costs £
Cost and net book value	
At 1 July 2011	247,788
Additions	48,956
Transfer to assets in construction	(296,744)
At 30 June 2012	-

Following the signing of a Turbine Supply Agreement on 8 May 2012 the development expenditure for the 4.0MW Orchard End wind farm in Lancashire was transferred to tangible fixed assets

REG Orchard End Limited

Notes to the accounts For the period ended 30 June 2012

6. Tangible fixed assets

	Assets under construction £
Cost and net book value	
At 1 July 2011	-
Transfers from intangible	296,744
Additions	2,240,817
	<hr/>
At 30 June 2012	2,537,561
	<hr/>
The construction is expected to be completed by 31 March 2013	

7. Debtors

	2012 £	2011 £
Amounts owed by group undertakings	1	1
	<hr/>	<hr/>

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

	2012 £	2011 £
Amounts owed to group undertakings	4,065,888	247,788
	<hr/>	<hr/>

REG Orchard End Limited

Notes to the accounts For the period ended 30 June 2012

9. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
1 Ordinary share of £1 at par	1	1

10 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total £
At 1 July 2011	1	-	1
Movement for the period	-	(28,067)	(28,067)
At 30 June 2012	1	(28,067)	(28,066)

11. Related party disclosures

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

12. Ultimate parent undertaking

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

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