
RESONANCE WIND FINANCE LIMITED

Registration number: 08624957

ANNUAL REPORT AND FINANCIAL STATEMENTS
for the period from date of incorporation on 25 July 2013 to 31 December 2014

RESONANCE WIND FINANCE LIMITED

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RESONANCE WIND FINANCE LIMITED

Company Information

Directors

F V Collins (appointed 25 July 2013)

R Fuller (appointed 25 July 2013 and resigned 31 December 2014)

O V Hilton (appointed 6 February 2015)

N J Wood (appointed 25 July 2013)

Company Number

08824957

Registered Office

1 Tudor Street

London

EC4Y 0AH

Auditor

KPMG Channel Islands Limited

Glaegny Court

Glaegny Esplanade

St Peter Port

Guernsey

GY1 1WR

Channel Islands

Administrator

Dexion Capital (Guernsey) Limited

RESONANCE WIND FINANCE LIMITED

Directors' Report

The Directors present their report and accounts for the period from date of incorporation on 25 July 2013 to 31 December 2014.

Principal activities

The principal activity of the Company during the year is to provide loan financing to investee companies of Resonance British Wind Energy Income Limited and Resonance British Wind Energy Income LP. During the period, the Company has issued loan notes which are listed on the Channel Islands Securities Exchange.

The following financial statements are the first set of financial statements to be prepared by the Company.

Going Concern

The Directors believe that the Company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Company's needs. In the event that additional funds were needed to support the Company, the Directors would seek to procure and are confident that they would be able to secure any necessary funding from parent companies. The Company has a letter of support from Resonance British Wind Energy Income Limited, the ultimate controlling party of the Company. They have considered a period of twelve months from the date of approval of these financial statements and consider all reasonable fluctuations in the forecast assumptions and currently forecast that the Company is commercial on a long term basis.

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 Financial Reporting Standards for Smaller Entities (effective April 2008) and applicable law (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities). 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;
- 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.

Directors

The following persons served as Directors during the period and up to the date of this report are as stated below:

F V Collins (appointed 25 July 2013)
R Fuller (appointed 25 July 2013 and resigned 31 December 2014)
O V Hillon (appointed 6 February 2015)
N J Wood (appointed 25 July 2013)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with Section 487 of the Companies Act 2006, KPMG Channel Islands Limited were appointed as auditors on 25 July 2013.

Small company provisions

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the Board of Directors on 30 June 2015 and signed on its behalf by:



N J Wood
Director

Independent Auditor's report to the members of Resonance Wind Finance Limited

We have audited the financial statements of Resonance Wind Finance Limited for the period from date of incorporation on 25 July 2013 to 31 December 2014 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Statement of Directors' Responsibilities set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its loss for the period from date of incorporation on 25 July 2013 to 31 December 2014
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with 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 period 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 prepare the financial statements in accordance with the small companies regime, take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption for the requirement to prepare a strategic report.



Steven D Stormonth (Senior Statutory Auditor)
for and on behalf of KPMG Channel Islands Limited, Statutory Auditor
Chartered Accountants
Gategny Court
Gategny Esplanade
St Peter Port
Guernsey
GY1 1WR
30 June 2015

RESONANCE WIND FINANCE LIMITED

Profit and Loss Account

For the period from date of incorporation on 25 July 2013 to 31 December 2014

| | Notes | For the period from date of incorporation on 25 July 2013 to 31 December 2014 £ |
|---|-------|--|
| Turnover | | 1,274,832 |
| Gross Profit | | <u>1,274,832</u> |
| Administrative expenses | 1 | (33,575) |
| Operating profit | | <u>1,241,257</u> |
| Interest receivable and similar income | | 38 |
| Interest payable and similar charges | | <u>(1,253,883)</u> |
| Net finance charge | | <u>(1,253,845)</u> |
| Loss on ordinary activities before taxation | | <u>(12,588)</u> |
| Tax charge on ordinary activities | 2 | <u>(295)</u> |
| Loss for the financial period | | <u><u>(12,883)</u></u> |

The results for the period arises from the Company's continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account.

The notes on pages 7 to 9 form part of the financial statements.

RESONANCE WIND FINANCE LIMITED

Balance Sheet As at 31 December

| | Notes | 2014 £ |
|---|-------|------------------|
| NON-CURRENT ASSETS | | |
| Loan receivables due after more than one year | 3 | 43,897,189 |
| CURRENT ASSETS | | |
| Cash and cash equivalents | 4 | 994,359 |
| Debtors | 3 | <u>4,103,779</u> |
| | | 5,098,138 |
| Creditors: amounts falling due within one year | 5 | (995,513) |
| Net current assets | | <u>4,102,625</u> |
| Creditors: amounts falling due after more than one year | 5 | (48,012,696) |
| Net liabilities | | <u>(12,882)</u> |
| SHAREHOLDERS' EQUITY | | |
| Called up share capital | 6 | 1 |
| Profit and loss account | 7 | (12,883) |
| Total shareholders' equity | | <u>(12,882)</u> |

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors and were signed on its behalf on 30 June 2015 by:


N J Wood
Director

Company registered number: 08624957

The notes on pages 7 to 9 form part of the financial statements.

RESONANCE WIND FINANCE LIMITED

Notes to the Financial Statements
For the year ended 31 December 2014

1) Accounting Policies

e) Basis of preparation of financial statements

The financial statements of the Company have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

b) Going concern

The Directors have reviewed the working capital requirements and expect the Company to be able to meet its funding requirements for at least 12 months from the signing of these accounts. The Directors believe that the Company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Company's needs. In the event that additional funds were needed to support the Company, the Directors would seek to procure and are confident that they would be able to secure any necessary funding from parent companies. The Company has a letter of support from Resonance British Wind Energy Income Limited, the ultimate controlling party of the Company. They have considered a period of twelve months from the date of approval of these financial statements and consider all reasonable fluctuations in the forecast assumptions and currently forecast that the Company is commercial on a long term basis.

In this way the Directors consider it is appropriate to prepare the accounts on a going concern basis.

c) Turnover

The turnover shown in the profit and loss account represents accrued interest during the period, exclusive of Value Added Tax, and is recognised in the period in which the services are rendered.

d) Financial instruments

Loan 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.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities, which are measured at amortised cost. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

e) Expense recognition

Expenses are accounted for on an accruals basis and are recognised in the period in which they are incurred.

f) Other receivables

Trade and other receivables are initially recognised at fair value and subsequently carried at amortised cost less provisions for impairment.

RESONANCE WIND FINANCE LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 December 2014

1. Operating profit

| | For the period from date of incorporation on 25 July 2013 to 31 December 2014 |
|--|---|
| Operating profit is stated after charging: | £ |
| Tax service fee | 2,550 |
| Auditor's remuneration | 7,750 |
| Administration fee | 9,282 |
| | <u>19,582</u> |

During the period, no Director received any emoluments.

2. Taxation

| | For the period from date of incorporation on 25 July 2013 to 31 December 2014 |
|--|---|
|--|---|

Analysis of tax charge for the period

| | |
|---------------------------|------------|
| UK corporation tax at 20% | <u>295</u> |
|---------------------------|------------|

3. Debtors

| | |
|------------------------------------|------------------|
| Due within one year | £ |
| Amounts owed by group undertakings | 4,103,776 |
| Bank interest receivables | 3 |
| | <u>4,103,779</u> |

The details of amounts owed by group undertakings of the related party balance is disclosed in note 8.

| | |
|------------------------------------|---------------------|
| Due after more than one year | 2014 |
| Amounts owed by group undertakings | <u>£ 43,897,189</u> |

The details of amounts owed by group undertakings of the related party balance is disclosed in note 8.

4. Cash and cash equivalents

| | |
|--------------|------------------|
| Cash at bank | 2014 |
| | <u>£ 994,359</u> |

5. Creditors

| | |
|---------------------------------|----------------|
| Due within one year | £ |
| Interest payables on loan notes | 976,680 |
| Accruals and other payables | 19,933 |
| | <u>996,613</u> |

| | |
|------------------------------|---------------------|
| Due after more than one year | 2014 |
| Loan notes | <u>£ 48,012,898</u> |

On 5 March 2014, the Company issued unsecured loan notes that bear interest of 6.9% per year compounded on a daily basis. The details of the related party balance is disclosed in note 8.

6. Share Capital

| | |
|-------------------------------------|------------|
| Authorised and Issued share capital | 2014 |
| 100 A Ordinary Shares of £0.01 each | <u>£ 1</u> |

For the period from date of
incorporation on 25 July 2013 to 31
December 2014

7. Profit and loss account

| | |
|---------------------|-------------------|
| Loss for the period | <u>£ (12,883)</u> |
|---------------------|-------------------|

8. Related party transactions

Mr N J Wood, Director of the Company, is also a Director of the parent companies Resonance British Wind Energy Income Limited (RBWEIL) and Resonance British Wind Energy Income LP (RBWEILP).

On 5 March 2014, the Company had authorised the issue of up to £100,000,000 unsecured loan notes due 2029 under a loan note instrument to RBWEIL and RBWEILP, which bears interest of 6.9% per year compounded on a daily basis. If any sum payable by the Company is not paid on the due date, interest at the rate of 10.9% per year shall be accrued on a daily basis. As at 31 December 2014 the total amount outstanding to RBWEIL is £34,992,280 and RBWEILP is £13,995,998 which are included in creditors in these financial statements, of which total interest charged on these loans during the year being £881,708 and £382,175 respectively.

RESONANCE WIND FINANCE LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 December 2014

8. Related party transactions (continued)

The Company has a loan receivable account with its related party, Arnish Moor Wind Farm Limited (AM). At 31 December 2014 there was an amount of £4,207,987 due from AM and its interest receivables and included in debtors in these financial statements. Interest of £74,466 was charged from 1 October 2014 to 31 December 2014. The Company has amounts owed by group undertakings which bears interest of 7% per year accrued on a daily basis, compounded annually and have fixed term on repayment.

The Company has a loan receivable account with its related party, Bettyhill Wind Energy Limited (BH). At 31 December 2014 there was an amount of £7,842,803 due from BH and its interest receivables and included in debtors in these financial statements. Interest of £135,232 was charged from 1 October 2014 to 31 December 2014. The Company has amounts owed by group undertakings which bears interest of 7% per year accrued on a daily basis, compounded annually and have fixed term on repayment.

The Company has a loan receivable account with its related party, Resonance BldCo 1 Limited (RB1). At 31 December 2014 there was an amount of £12,473,823 due from RB1 and its interest receivables and included in debtors in these financial statements. Interest of £220,712 was charged from 1 October 2014 to 31 December 2014. The Company has amounts owed by group undertakings which bears interest of 7% per year accrued on a daily basis, compounded annually and have fixed term on repayment.

The Company has a loan receivable account with its related party, Resonance Industrial Wind Portfolio Limited (IWPL). At 31 December 2014 there was an amount of £11,659,734 due from IWPL and its interest receivables and included in debtors in these financial statements. Interest of £136,747 was charged from 1 November 2014 to 31 December 2014. The Company has amounts owed by group undertakings which bears interest of 7% per year accrued on a daily basis, compounded annually and have fixed term on repayment.

The Company has a loan receivable account with its related party, Strath of Brydock Wind Farm Limited (SOB). At 31 December 2014 there was an amount of £12,016,619 due from SOB and its interest receivables and included in debtors in these financial statements. Interest of £707,686 was charged from 5 March 2014 to 31 December 2014. The Company has amounts owed by group undertakings which bears interest of 7% per year accrued on a daily basis, compounded annually and have fixed term on repayment.

In the Directors' opinions all the above transactions have been made at arm's length and at commercial rates.

9. Subsequent events

On 9 January 2015, the Company redeemed a portion of the loan notes to RBWEIL and RBWEILP, at respective amounts of £502,257 and £211,968.