Blyth Offshore Demonstrator Limited

Annual report and financial statements
Registered number 09085597
31 December 2014
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Company Information

Directors
Colin Hood (appointed 13 June 2014, resigned 29 October 2014)
Andrew Jamieson (appointed 13 June 2014, resigned 29 October 2014)
Alan Moore (appointed 13 June 2014, resigned 29 October 2014)
David Simon Baker (appointed 28 April 2015)
Christian Egal (appointed 9 July 2015)
Robert Guyler (appointed 29 October 2014, resigned 28 April 2015)
Laurence Juin (appointed 29 October 2014, resigned 9 July 2015)
Bruno Kold Larsen (appointed 29 October 2014)
Gwen Parry-Jones (appointed 29 October 2014)
Denis Rouhier (appointed 29 October 2014)
Matthew Sykes (appointed 29 October 2014)

Auditor
KPMG LLP
100 Temple Street
Bristol
BS1 6AG

Registered office
40 Grosvenor Place
Victoria
London
SW1X 7EN
Strategic Report

The Directors present their annual report and financial statements for period ended 31 December 2014 for Blyth Offshore Demonstrator Limited (the "Company").

Business review

The Company was incorporated on 13 June 2014 by Offshore Renewable Energy Catapult to develop, construct and operate an offshore wind farm off the coast of north-east England.

In October 2014, the Company was acquired by EDF Energy Renewables Holdings Limited.

Principals risks and uncertainties

The principal risks to the profitability of the Company are as follows:

Construction risk

Technical issues may arise on plant and equipment during construction. In addition, due to the Company constructing a wind farm off the mainland, risk related to the environment and weather are also applicable. These risks may cause delays in the project timetable, business interruption and additional costs. To mitigate this risk, regular reviews are undertaken in order to ensure that the construction team and its third party service providers are appropriately managing the project output.

Interest rate risk

The Company's exposure to interest rate fluctuations on its borrowings and deposits is managed principally through the use of fixed rate debt instruments and swap agreements. The Company's policy is to use derivatives to reduce exposure to short-term interest rates and not for speculative purposes.

Foreign exchange risk

The Company's exposure to foreign currency risk mainly relates to Euro denominated transactions. The Company's policy is to hedge/fix known currency exposures as they arise. The Company enters into forward currency purchase contracts to fix the Sterling price for future foreign currency denominated transactions.

Financial risks

The Company’s activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company adopts a prudent approach to liquidity management and mitigates against cash flow and liquidity risk by continuously monitoring forecasted and actual cash flows and maintaining sufficient cash reserves to meet its obligations. The Company’s main exposure to credit risk is its cash balances with banks. The risk is mitigated through using banks with good credit ratings.
Strategic Report (continued)

Business Environment, Performance and Key Performance Indicators

The Directors believe that as the windfarm is not operational, key performance indicators for the Company are not appropriate for an understanding of the development, performance or position of the business.

Future outlook

The Company considers that the UK market for offshore renewable energy will remain strong for the foreseeable future and will continue its support for the industry. Management considers that this will lead to a strong market pricing for renewable energy that will support the Company's financial projections leading to strong profitability and cash flows.

By order of the Board.

David Simon Baker
Director

40 Grosvenor Place
Victoria
London
SW1X 7EN

7 August 2015
Directors' report

Principal activities and review of the business

The principal activity of the Company is the ownership, development and construction of an offshore windfarm.

Results and dividends

There was no activity in the Profit & Loss Account during the period as all costs were incurred in the course of developing and constructing the windfarm asset, and have therefore been capitalised.

Directors

Directors who held office during the period and subsequently were as follows:

Colin Hood (appointed 13 June 2014, resigned 29 October 2014)
Andrew Jamieson (appointed 13 June 2014, resigned 29 October 2014)
Alan Moore (appointed 13 June 2014, resigned 29 October 2014)
David Simon Baker (appointed 28 April 2015)
Christian Egal (appointed 9 July 2015)
Robert Guyler (appointed 29 October 2014, resigned 28 April 2015)
Laurence Juin (appointed 29 October 2014, resigned 9 July 2015)
Bruno Kold Larsen (appointed 29 October 2014)
Gwen Parry-Jones (appointed 29 October 2014)
Denis Rouhier (appointed 29 October 2014)
Matthew Sykes (appointed 29 October 2014)

None of the Directors have an employment contract with the Company in the current period.

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the period and remain in force at the date of this report.

Going concern

The Directors consider it appropriate to prepare the financial statements on a going concern basis. Further details and explanation regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

Political contributions

The Company made no political contributions in the period.

Share Capital

On 13 June 2014, there was an issue of 2 ordinary shares on incorporation of the Company. In October 2014, the shares were acquired by EDF Energy Renewables Holdings Limited.

Other Information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on pages 3 and 4.
Directors' report (continued)

Disclosure of information to Auditor
Each of the persons who is a director at the date of approval of this annual report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor
During the period, KPMG LLP were appointed as auditor. It is noted that KPMG LLP as appointed by the members are deemed to be re-appointed as the auditor to the Company for the financial year ending 31 December 2014 in accordance with the provisions of Section 487(2) of the Companies Act 2006 and that the Directors have been authorised to fix the remuneration of the auditor.

By order of the Board

David Simon Baker
Director

40 Grosvenor Place
Victoria
London
SW1X 7EN

7 August 2015
Statement of Directors' responsibilities

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

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

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

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

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

We have audited the financial statements of Blyth Offshore Demonstrator Limited for the period ended 31 December 2014 set out on pages 9 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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

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 result for the period then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
Independent auditor's report to the members of Blyth Offshore Demonstrator Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Rachel Yasue (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

7 August 2015
Profit and loss account
for the period ended 31 December 2014

There was no activity in the Profit and Loss Account during the period as all costs were incurred in the course of developing the windfarm asset, and have therefore been capitalised.

There were no recognised gains or losses in the period. Accordingly, no statement of total recognised gains and losses has been presented. The notes on pages 11 to 14 form part of these financial statements.
## Balance Sheet

*as at 31 December 2014*

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Fixed assets</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tangible assets</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td><strong>Current assets</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Debtors</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>6</td>
</tr>
<tr>
<td></td>
<td><strong>Net current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Creditors: amounts falling due after more than one year</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Net assets</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Capital and reserves

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>-</td>
</tr>
</tbody>
</table>

### Shareholders' funds

<table>
<thead>
<tr>
<th>Note</th>
<th>2014</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8</td>
<td>2</td>
</tr>
</tbody>
</table>

The notes on pages 11 to 14 form part of these financial statements.

The financial statements were approved by the Board of Directors on 7 August 2015 and were signed on its behalf by:

David Simon Baker  
*Director*
Notes to the financial statements

1. Accounting policies

The principal accounting policies are set out below. They have all been applied consistently throughout the period.

Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared on the going concern basis, notwithstanding the Company's net current liabilities of £7,430,813, which the directors believe to be appropriate for the following reasons.

The Company is dependent for its working capital on funds provided to it by EDF Energies Nouvelles SA and EDF Energy (Energy Branch) plc. They have indicated that they will continue to make available such funds, as needed by the Company, and a letter of support has been provided to this effect. Further support from EDF Energies Nouvelles SA and EDF Energy (Energy Branch) plc will be made available following a successful final investment decision which is expected within 12 months from the date of approval of these accounts. The Directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this understanding, the Directors believe that it is appropriate to prepare financial statements on a going concern basis.

Cash flow statement

The Company’s results for the period ended 31 December 2014 are included in the consolidated financial statements of Electricité de France SA (EDF), which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) Cash Flow Statements.

Research and development

Expenditure on research is written off to the profit and loss account during the period in which it is incurred. Development expenditure is capitalised as Work In Progress only where there is a clearly defined project, the expenditure is separately identifiable, the outcome of the project can be assessed with reasonable certainty, aggregate costs are expected to not exceed related future sales and adequate resources exist to enable the project to be completed.

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of acquisition of each asset less estimated residual value, evenly over its expected useful life, as follows:

- Windfarm: 20 years

No depreciation is charged on assets in the course of construction until the asset becomes operational.

Capitalised costs

As a self constructed asset, all expenditure directly attributable to bringing the windfarm into the location and condition necessary for use are capitalised. Costs include turbine costs, land operating lease rentals, grid connection, civil engineering, cabling, lease related costs, community funds, telecoms, direct labour and the cost of materials.
Notes to the financial statements

1. Accounting policies (continued)

Debt
Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the period.

Accounting treatment for finance costs
Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the assets are being incurred and activities that are necessary to get the assets ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete. The capitalisation rate used is the interest costs incurred on shareholder loans.

All other finance costs are recognised in the profit and loss account over the term of such instruments, at a constant rate on the carrying amount.

Taxation
Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date except as otherwise required by FRS 19.

Cash
Cash comprises cash in hand and deposits held which are repayable on demand.

Foreign currency
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

2. Directors' emoluments
None of the Directors have a service contract with the Company in the period. No portion of their remuneration can be specifically attributed to their services to the Company.

3. Staff costs
The Company had no employees in 2014.
Notes to the financial statements

4. Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Assets in construction</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At beginning of the period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions</td>
<td>7,430,815</td>
<td>7,430,815</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>7,430,815</td>
<td>7,430,815</td>
</tr>
<tr>
<td>Net book value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>7,430,815</td>
<td>7,430,815</td>
</tr>
</tbody>
</table>

No interest was capitalised during the period.

5. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>£000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debtors: amounts falling due within one year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amounts owed from group undertakings</td>
<td>73,293</td>
<td></td>
</tr>
</tbody>
</table>

All balances are repayable on demand.

6. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amounts owed to group undertakings</td>
<td>7,504,106</td>
<td></td>
</tr>
</tbody>
</table>

Amounts owed to other Group companies are classified as current because they are repayable on demand.

7. Share capital

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>£</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ordinary shares of £1 each

On 13 June 2014, there was an issue of 2 ordinary shares on incorporation of the Company. In October 2014, the shares were acquired by EDF Energy Renewables Holdings Limited.
Notes to the financial statements

8. Reconciliation of movements in shareholders’ funds

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Profit and loss account</th>
<th>Total shareholders’ funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>At beginning of period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Share issue during the period</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>At 31 December 2014</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
</tbody>
</table>

9. Related parties

As the Company is a wholly owned subsidiary of EDF Energy Renewables Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

All audit and non audit fees in 2014 were borne by EDF Energy Renewables Limited.

10. Parent undertaking and controlling party

EDF Energy Renewables Holdings Limited holds an 100% interest in Blyth Offshore Demonstrator Limited and is considered to be the immediate parent company of this Company.

At 31 December 2014, Electricité de France SA (EDF) a company incorporated in France, is regarded by the Directors as the Company's ultimate parent company and controlling party. This is the smallest and largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.