

DONG Vind A/S

## **Annual Report for 2015**

**Kraftværksvej 53, 7000 Fredericia**

**CVR no. 27 25 68 21**

**(13th financial year)**

The annual report was presented and adopted at the annual general meeting of the company on 15/04 2016

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Ulrik Jarlov

Chairman

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## Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today considered and approved the Annual Report of DONG Vind A/S for the financial year 1 January - 31 December 2015.

The Annual Report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair presentation of the company's assets, equity and liabilities and financial position at 31 December 2015 and of the results of the company's operations for the financial year 1 January - 31 December 2015.

We recommend that the Annual Report be adopted at the annual general meeting.

Skærbæk, 18 March 2016

### Executive Board

Robert Helms

### Board of Directors

Brent Cheshire  
Chairman

Charlotte Strand  
Deputy Chairman

Benjamin Sykes

## Independent Auditor's Report

### *To the Shareholder of DONG Vind A/S*

We have audited the Financial Statements of DONG Vind A/S for the financial year 1 January - 31 December 2015, which comprise summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

## **Independent Auditor's Report**

### **Opinion**

In our opinion, the Annual Report gives a true and fair view of the financial position at 31 December 2015 of the Company and of the results of the Company's operations for the financial year 1 January - 31 December 2015 in accordance with the Danish Financial Statements Act.

Hellerup, 18 March 2016

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
CVR-no.33 77 12 31

Fin T. Nielsen  
State Authorised Public Accountant

Kim Danstrup  
State Authorised Public Accountant

## Company information

### The company

DONG Vind A/S  
Kraftværksvej 53  
Skærbæk  
7000 Fredericia

Telephone: +45 99 55 11 11  
Fax: +45 99 55 00 02  
Website: [www.dongenergy.com](http://www.dongenergy.com)

CVR no.: 27 25 68 21  
Financial Period: 1 January - 31 December  
Reg. office: Fredericia

### Board of Directors

Brent Cheshire, Chairman  
Charlotte Strand, Deputy Chairman  
Benjamin Sykes

### Executive Board

Robert Helms

### Auditors

PricewaterhouseCoopers  
Statsautoriseret Revisionspartnerselskab  
Strandvejen 44  
2900 Hellerup

### Consolidated Financial Statements

The company is included in the Consolidated Financial Statement of the ultimate parent company, DONG Energy A/S, Fredericia, CVR no 36 21 37 28

The annual report of DONG Energy A/S, Fredericia, CVR no 36 21 37 28 can be downloaded at the following address:

[www.dongenergy.com](http://www.dongenergy.com)

## Accounting policies

The Annual Report of DONG Vind A/S for 2015 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B.

The accounting policies applied remain unchanged from previous years.

The Annual Report for 2015 is presented in t.kr.

In accordance with the Danish Financial Statements Act §112, the Company has chosen to omit the consolidated financial statement.

### Recognition and measurement

Revenue is recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to generate the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals as a result of changed accounting estimates of amounts previously recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost, and subsequently as described for each item below.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the term. Amortised cost is calculated as original cost less any repayments of principal and plus or minus the cumulative amortisation of any difference between cost and nominal amount. In this way, capital losses and gains are spread over the terms of the assets and liabilities.

Recognition and measurement take into account gains, losses and risks occurring before the presentation of the Annual Report and which confirm or invalidate conditions existing at the balance sheet date.

## Income statement

### Other external expenses

Other external expenses comprise expenses for administration as well as office expenses, etc.

## Accounting policies

### Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Financial income and expenses comprise interest income and interest expense and realised and unrealised exchange adjustments.

Dividends from investments are recognised in the financial year in which the dividends are declared.

### Tax on loss for the year

Tax on net profit for the year, consisting of current tax for the year and deferred tax for the year, is recognised in the income statement to the extent that it relates to net profit for the year and directly in equity to the extent that it relates to entries directly to equity. The Company is subject to the Danish rules on compulsory joint taxation of the DONG Energy Group's Danish companies, and the ultimate Parent Company, DONG Energy A/S, has also elected international joint taxation with the Group's foreign subsidiaries. Subsidiaries are included in the joint taxation from the date they are included in the consolidation in the Consolidated Financial Statements and up to the date on which they are no longer included in the consolidation.

The ultimate Parent Company, DONG Energy A/S, is the management company for the joint taxation and consequently settles all income tax payments to the tax authorities.

In connection with the settlement of joint taxation contributions, current Danish income tax is allocated among the jointly taxed Danish companies in proportion to their taxable income. In this connection Danish subsidiaries with tax losses receive joint taxation contributions from the Parent Company equivalent to the tax base of the tax losses utilised (full allocation), while companies that utilise tax losses in other Danish companies pay joint taxation contributions to the Parent Company equivalent to the tax base of the utilised losses.

## Balance sheet

### Investments in subsidiaries

Investments in subsidiaries are measured at cost. Cost is written down to net realisable value whenever the cost exceeds the net realisable value.

The costs of an enterprise consists of the fair value of the agreed consideration plus costs that can be directly attributed to the acquisition. If parts of the agreed consideration are contingent on future events, these parts are recognised in the cost to the extent that the events are probable and the consideration can be measured reliably.

Cost is reduced to the extent that dividends received exceed the accumulated earnings after the date of the acquisition.



## Accounting policies

### Dividends

Proposed dividends are presented as a separate item in equity. Dividends are recognised as a liability at the date of their adoption at the annual general meeting.

### Current tax and deferred tax

Current tax payable and current tax receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on previous years' taxable income and taxes paid on account.

Deferred tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination against tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. Where the tax base can be determined applying alternative tax rules, deferred tax is measured on the basis of the intended use of the asset or settlement of the liability, respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement. For the current year, a tax rate of 22% has been applied.

### Debts

Financial liabilities such as mortgage loans and loans from credit institutions are recognised at the date of inception at the proceeds received net of transaction expenses. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest rate. The difference between the proceeds received and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities are measured at amortised cost, corresponding to nominal value.

## **Accounting policies**

### **Foreign currency translation**

The measurement currency used is DKK. All other currencies are regarded as foreign currencies.

Transactions in foreign currencies are translated at the exchange rates applicable at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates applicable at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

**Income Statement 1 January - 31 December**

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
Other external expenses		-11	-15
<b>Gross profit</b>		<b>-11</b>	<b>-15</b>
Financial expenses	2	-22.406	-26.757
<b>Loss before tax</b>		<b>-22.417</b>	<b>-26.772</b>
Tax on loss for the year	3	5.428	7.371
<b>Net loss for the year</b>		<b><u>-16.989</u></b>	<b><u>-19.401</u></b>
Transfer to retained earnings		-16.989	-19.401
		<b><u>-16.989</u></b>	<b><u>-19.401</u></b>

Balance Sheet at 31 December

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
<b>Assets</b>			
Investments in group enterprises	4	1.770.153	1.770.153
<b>Fixed asset investments</b>		<b><u>1.770.153</u></b>	<b><u>1.770.153</u></b>
<b>Total non-current assets</b>		<b><u>1.770.153</u></b>	<b><u>1.770.153</u></b>
Deferred tax asset		3.289	1.975
Income tax		4.932	5.914
<b>Receivables</b>		<b><u>8.221</u></b>	<b><u>7.889</u></b>
<b>Total current assets</b>		<b><u>8.221</u></b>	<b><u>7.889</u></b>
<b>Total assets</b>		<b><u><u>1.778.374</u></u></b>	<b><u><u>1.778.042</u></u></b>

Balance Sheet at 31 December

	<u>Note</u>	<u>2015</u> t.kr.	<u>2014</u> t.kr.
<b>Liabilities and equity</b>			
Share capital		7.000	7.000
Retained earnings		279.727	296.716
<b>Total equity</b>	5	<u><b>286.727</b></u>	<u><b>303.716</b></u>
Payables to group enterprises		1.490.000	1.450.000
<b>Non-current debt</b>	6	<u><b>1.490.000</b></u>	<u><b>1.450.000</b></u>
Payables to group enterprises		1.647	24.311
Other payables		0	15
<b>Current debt</b>		<u><b>1.647</b></u>	<u><b>24.326</b></u>
<b>Total liabilities other than provisions</b>		<u><b>1.491.647</b></u>	<u><b>1.474.326</b></u>
<b>Total liabilities and equity</b>		<u><u><b>1.778.374</b></u></u>	<u><u><b>1.778.042</b></u></u>
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**Statement of changes in equity**

	<u>Share capital</u> t.kr.	<u>Retained earnings</u> t.kr.	<u>Total</u> t.kr.
Statement of changes in equity at 1 January 2015	7.000	296.716	303.716
Net profit for the year	<u>0</u>	<u>-16.989</u>	<u>-16.989</u>
<b>Equity at 31 December 2015</b>	<b><u>7.000</u></b>	<b><u>279.727</u></b>	<b><u>286.727</u></b>

## Notes to the Annual Report

### 1 Main activity

The purpose of the Company is to hold shares in subsidiaries.

	<u>2015</u> t.kr.	<u>2014</u> t.kr.
<b>2 Financial expenses</b>		
Interest paid to group companies	22.406	26.706
Other financial costs	<u>0</u>	<u>51</u>
	<b><u>22.406</u></b>	<b><u>26.757</u></b>
<b>3 Tax on loss for the year</b>		
Current tax for the year	-5.268	-5.914
Adjustment of tax concerning previous years	-160	-6.467
Adjustment of deferred tax concerning previous years	<u>0</u>	<u>5.010</u>
	<b><u>-5.428</u></b>	<b><u>-7.371</u></b>

## Notes to the Annual Report

	<u>2015</u> t.kr.	<u>2014</u> t.kr.
<b>4 Investments in group enterprises</b>		
Cost at 1 January 2015	<u>1.770.153</u>	<u>1.770.153</u>
Cost at 31 December 2015	<u>1.770.153</u>	<u>1.770.153</u>
<b>Carrying amount at 31 December 2015</b>	<b><u><u>1.770.153</u></u></b>	<b><u><u>1.770.153</u></u></b>

Investments in group enterprises are specified as follows:

Name	Place of registered office	Votes and ownership	Equity t.kr.	Net profit/loss for the year t.kr.
DONG Energy Power (UK) Ltd.	London, United Kingdom	100%	6.363.723	1.792.396

## 5 Equity

The share capital consists of 7 shares of a nominal value of t.kr. 1.000. No shares carry any special rights.

There have been no changes in the share capital during the last 5 years.

## 6 Long term debt

### Payables to group enterprises

After 5 years	0	0
Between 1 and 5 years	<u>1.490.000</u>	<u>1.450.000</u>
Long-term part	1.490.000	1.450.000
Other short-term debt to subsidiaries	<u>1.647</u>	<u>24.311</u>
Short-term part	<u>1.647</u>	<u>24.311</u>
	<b><u><u>1.491.647</u></u></b>	<b><u><u>1.474.311</u></u></b>



## Notes to the Annual Report

### 7 Contingencies etc.

#### Contingent liabilities

The Group's Danish companies are jointly and severally liable for tax on the Group's jointly taxed income, etc. references is made to the Annual Report DONG Energy A/S, the company responsible for the administration of the joint taxation arrangement.

The Group's Danish companies are jointly and severally liable for their joint VAT registration.

### 8 Related parties and ownership

#### Basis

#### Controlling interest

DONG VE A/S, Kraftsværksvej 53, 7000 Fredericia. Parent Company

#### Other related parties

DONG Energy A/S, Kraftsværksvej 53, 7000 Fredericia. Ultimate Parent Company

The Danish state by ministry of Finance  
Goldman Sachs Group

Board of directors, Executive Board and management

Other companies in the DONG Energy Group

#### Ownership

The following shareholders are recorded in the Company's register of shareholders as holding at least 5% of the votes or at least 5% of the share capital:

DONG VE A/S