
Table of Contents**3. Basis of preparation of the financial statements****3.1 Statement of compliance**

The Company's financial statements as of December 31, 2014 and 2013 were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Company's financial statements as of December 31, 2014 were first approved for issuance by the Company's Chief Executive Officer and Chief Financial Officer on January 8, 2015, and were subsequently approved by the Company's shareholders. The accompanying restated financial statements have been prepared for use in a securities filing in connection with the acquisition of the Company as explained in Note 23. They have also been restated for the correction of certain errors as explained in Note 3.2. The Company's Chief Executive Officer and Chief Financial Officer approved these financial restated statements for issuance on June 13, 2015 and subsequent events have been considered through that later date.

3.2 Restatement of financial statements

During its preparation of the accompanying restated financial statements for the purpose described in Note 3.1, the Company identified certain accounting errors that are being retrospectively corrected herein. They are explained as follows:

- The Company previously accounted for restricted cash as a component of cash in its statement of cash flows. It has corrected that classification to now exclude those amounts. The Company also modified the current versus non-current classification of restricted cash to correspond with contractual terms.
- The Company has identified the need for a decommissioning and restoration provisions in the accompanying financial statements given obligations that it believes exist under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Disclosure of such provisions are presented in Note 14.
- The Company has determined residual values for its wind turbines which resulted in a change in the depreciation expense.
- The aforementioned matters have an impact on deferred income tax.
- Certain accounting disclosures have been expanded from those previously presented.

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