

**NANT Y MOCH WIND FARM LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**COMPANIES HOUSE**  
**EDINBURGH**

**10 JUL 2019**

**FRONT DESK**



# NANT Y MOCH WIND FARM LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Alper Elmas Sandra Grauers Nilsson
<b>Company secretary</b>	Jonas Van Mansfeld
<b>Registered number</b>	03494533
<b>Registered office</b>	Abbey Warehouse Abbey Slip Penzance Cornwall TR18 4AR
<b>Independent auditor</b>	Ernst & Young LLP 1 More London Place London United Kingdom SE1 2AF
<b>Bankers</b>	Nordea Bank Finland plc 8th Floor City Place House 555 Basinghall Street London EC2V 5NB

# **NANT Y MOCH WIND FARM LIMITED**

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# **NANT Y MOCH WIND FARM LIMITED**

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **Introduction**

This report provides an overview of the current year performance, position and main issues that have been considered by the directors.

### **Business review**

During the year the Company has not performed any development activities. In 2012 the Company stopped its activities on the Rheola development project and the Company was renamed to reflect the decision to take the Nant Y Moch development project forward instead. The net result for the year ended 31 December 2018 was a loss of £18,069 (2017: £27,580).

Although the directors do not see an increased activity level in short term, it is anticipated that in the mid-term future further development activities will be performed in the Company with the expectation that new wind farm projects might be developed within the entity in the next 1-2 years.

The ultimate parent undertaking is Vattenfall AB. One of the key focus areas of Vattenfall's strategy is building a more sustainable energy portfolio. Vattenfall has a committed and ambitious strategy for growth in renewable generation and plans to invest around 24 billion Swedish Krona in new wind farms over the next two years and similar amounts in the years following.

At 31 December 2018 the Vattenfall Group's installed capacity for Wind and Solar operating assets amounted to 2.8GW (1.1GW in the UK) split over more than 1,100 turbines and solar panels in five countries. During the financial year 2018 the Vattenfall Group had nine wind farms under construction in three countries, one of which was commissioned in 2018 and two of which will be fully commissioned in 2019. The other wind farms are expected to commence operations in 2020/2021. Furthermore, the Vattenfall Group pursues new opportunities through its pipeline of development projects, currently representing a size above 5GW.

### **Key performance indicators ("KPIs")**

The company is not operating. Therefore, other than cost levels, no KPIs are monitored.

### **Principal risks and uncertainties**

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk, liquidity risk and cash flow risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's Balance Sheet, the only financial risks the directors consider relevant to the Company are credit risk and liquidity risk. These risks are mitigated either by the Company being equity funded or by the nature of the balances owed, with these due to other Vattenfall group companies. Credit exposure represents the extent of credit-related losses that the Company may be subject to on amounts to be received from financial assets. The Company, while exposed to credit-related losses in the event of non-performance by counterparties does not expect any counterparties to fail to meet their obligations given their high credit quality. Operational risks are mitigated by having contractual arrangements in place which result in adequate and timely services taking place when technical difficulties are experienced at the site.

# **NANT Y MOCH WIND FARM LIMITED**

## **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

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This report was approved by the board and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Alper Elmas', is written over the printed name and title.

**Alper Elmas**  
Director

Date: 3 July 2019

# **NANT Y MOCH WIND FARM LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the year ended 31 December 2018.

### **Directors' responsibilities statement**

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

### **Principal activity**

The Company's principal activity consisted of the development of wind energy projects in North Wales, within the United Kingdom. This activity has currently been reduced to a minimum, resulting in limited activity level in the Company. The Company is a private company limited by shares, domiciled in the United Kingdom and incorporated in England and Wales. During the year the Company's immediate parent undertaking was Nuon UK Ltd and the ultimate parent undertaking of the Company is Vattenfall AB, the Swedish based international utility company.

### **Going concern**

The Company's cash flows are largely driven by its direct and intermediate parent companies and, as a consequence, the Company depends, in large parts, on the ability of these Vattenfall companies to continue as a going concern. The directors have considered the Company's funding and operational relationships with its direct and intermediate parents to date and have considered available relevant information relating to Vattenfall's ability to continue as a going concern. In addition, the directors have no reason to believe that the respective Vattenfall companies will not continue to fund the Company, should it become necessary, to enable it to continue in operational existence.

On the basis of these considerations, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting when preparing the financial statements.

# NANT Y MOCH WIND FARM LIMITED

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### Results and dividends

The loss for the year, after taxation, amounted to £18,069 (2017 - loss £27,580).

Dividend paid in the year is £nil (2017: £nil).

### Directors

The directors who served during the year were:

Alper Elmas  
Sandra Grauers Nilsson

### Future developments

The Company is continuously reviewing its business to stay responsive to the challenging energy market conditions and current low energy prices. It is our policy to refrain from making any specific statements about expected future results. However, on the basis of risk analysis and adequate operational processes, we have faith that we will be able to tackle the challenges ahead and to stay on top of our operations.

### Qualifying third party indemnity provisions

Certain directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

### 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 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 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.

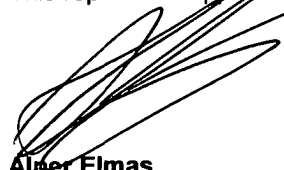
### Post balance sheet events

There have been no significant events affecting the Company since the year end.

### Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Alper Elmas  
Director

Date: 3 July 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NANT Y MOCH WIND FARM LIMITED**

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### **Opinion**

We have audited the financial statements of Nant Y Moch Wind Farm Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NANT Y MOCH WIND FARM LIMITED (CONTINUED)**

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misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NANT Y MOCH WIND FARM LIMITED (CONTINUED)**

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### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### **Use of our report**

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.

*Ernst & Young LLP*

Stuart Darrington (Senior Statutory Auditor)

for and on behalf of  
Ernst & Young LLP, Statutory Auditor

London

3 July 2019

# NANT Y MOCH WIND FARM LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Administrative expenses		(18,503)	(27,760)
<b>Operating loss</b>		<b>(18,503)</b>	<b>(27,760)</b>
Interest receivable and similar income	6	434	180
<b>Loss before tax</b>		<b>(18,069)</b>	<b>(27,580)</b>
Tax on loss	7	-	-
<b>Loss for the financial year</b>		<b>(18,069)</b>	<b>(27,580)</b>
<b>Total comprehensive loss for the year</b>		<b>(18,069)</b>	<b>(27,580)</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income. All amounts relate to continuing activities.

The notes on pages 12 to 20 form part of these financial statements.

**NANT Y MOCH WIND FARM LIMITED**  
**REGISTERED NUMBER:03494533**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>		-	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	2,395	398
Cash at bank and in hand	9	73,277	93,343
		<u>75,672</u>	<u>93,741</u>
Creditors: amounts falling due within one year	10	(5,446)	(5,446)
<b>Net current assets</b>		<u>70,226</u>	<u>88,295</u>
<b>Total assets less current liabilities</b>		<u>70,226</u>	<u>88,295</u>
<b>Net assets</b>		<u>70,226</u>	<u>88,295</u>
<b>Capital and reserves</b>			
Called up share capital	12	2,432,894	2,432,894
Retained earnings		(2,362,668)	(2,344,599)
<b>Total equity</b>		<u>70,226</u>	<u>88,295</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

  
**Alper Elmas**  
 Director

Date: 3 July 2019

The notes on pages 12 to 20 form part of these financial statements.

# NANT Y MOCH WIND FARM LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

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	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2018	2,432,894	(2,344,599)	88,295
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(18,069)	(18,069)
<b>Total comprehensive loss for the year</b>	-	(18,069)	(18,069)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2018</b>	<b>2,432,894</b>	<b>(2,362,668)</b>	<b>70,226</b>

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The notes on pages 12 to 20 form part of these financial statements.

# NANT Y MOCH WIND FARM LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

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	Called up share capital	Retained earnings	Total equity
	£	£	£
At 1 January 2017	2,432,894	(2,317,019)	115,875
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(27,580)	(27,580)
<b>Total comprehensive loss for the year</b>	-	(27,580)	(27,580)
<b>Total transactions with owners</b>	-	-	-
<b>At 31 December 2017</b>	<b>2,432,894</b>	<b>(2,344,599)</b>	<b>88,295</b>

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The notes on pages 12 to 20 form part of these financial statements.

# NANT Y MOCH WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1. Authorisation of financial statements

The financial statements of Nant Y Moch Wind Farm Limited (the "Company") for the year ended 31 December 2018 were approved by the board and authorised for issue on 03 July 2019 and the Balance Sheet was signed on the board's behalf by Alper Elmas. Nant Y Moch Wind Farm Limited is incorporated and domiciled in England and Wales.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

# NANT Y MOCH WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 2. Accounting policies (continued)

#### 2.3 Change in accounting policy and disclosures

Unless otherwise stated, the accounting policies and method of computation adopted in the preparation of the financial statements are consistent with those of the previous year.

The following new and amended IFRS and IFRIC interpretations are mandatory as of 1 January 2018 unless otherwise stated and the impact of adoption is described below. There are no other changes to IFRS effective in 2018 which have a material impact on the Company.

##### *IFRS 9 Financial instruments*

IFRS 9 introduces new requirements for classifying, measuring and impairing financial instruments and hedge accounting. Under IFRS 9, loans and trade receivables may be measured at fair value through other comprehensive income or amortised cost depending on the characteristics of the contractual cash flows.

Under IFRS 9, the Company should also record expected credit losses on all of its debt securities, loans and trade receivables on a 12 month or lifetime basis.

##### *IFRS 15 Revenue from contracts with customers*

The standard replaces all previous revenue requirements in IFRS and applies to all revenue arising from contracts with customers. The standard outlines the principles an entity must apply to measure and recognise revenue. The standard is intended to assist entities in applying judgment when recognising revenue.

##### *IFRIC Interpretation 22 Foreign currency transactions and advance consideration*

IFRIC 22 clarifies that the transaction date is the date on which a company initially recognises the prepayment or deferred income arising from advance consideration.

#### **New standards and interpretations not yet effective:**

The Company has elected not to early adopt the following revised and amended standards, which are not yet mandatory in the EU.

The list below includes only standards and interpretations that could have an impact on the financial statements of the Company.

- IFRS 16 Leases (effective in the EU 1 January 2019)
- IFRIC Interpretation 23 Uncertainty over income tax treatments (effective in the EU 1 January 2019)
- AIP IAS 23 Borrowing costs - Borrowing costs eligible for capitalisation (effective in the EU 1 January 2019)
- IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors (effective in the EU 1 January 2020)

# **NANT Y MOCH WIND FARM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **2. Accounting policies (continued)**

#### **2.4 Impact of new international reporting standards, amendments and interpretations**

##### **IFRS 9**

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 1 January 2018.

##### **IFRS 15**

From 1 January 2018, the Company has applied IFRS 15 using the cumulative effect method.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 1 January 2018.

#### **2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### **2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### **2.7 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **2.8 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

# NANT Y MOCH WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 2. Accounting policies (continued)

#### 2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

##### Financial assets

The Company classifies all of its financial assets as loans and receivables.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less any provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, the Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. Trade receivables are reported net and such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

##### Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

##### At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

# NANT Y MOCH WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 2. Accounting policies (continued)

#### 2.10 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'interest receivable and similar income' for gains or 'interest payable and expenses' for losses.

#### 2.11 Taxation

Deferred balances are recognised in respect of all temporary differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date as well as expenses reported during the year.

# NANT Y MOCH WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 4. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements. No other services are provided to the Company.

	2018 £	2017 £
Fees for audit services	<u>1,996</u>	<u>1,996</u>

### 5. Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was 2 (2017: 2). The Company's payroll costs are incurred by other entities within the Group, with the costs recharged to the Company.

#### Directors remuneration

The directors of the Company are also directors of the holding company and fellow subsidiaries. The directors remuneration for the year, apportioned to the Company based on the estimated individual director representation for the Company, amounts to £6,862 (2017: £7,628). All of the remuneration was paid by another Vattenfall Group company.

### 6. Interest receivable and similar income

	2018 £	2017 £
Interest receivable from group companies	<u>434</u>	<u>180</u>

# NANT Y MOCH WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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### 7. Taxation

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(18,069)	(27,580)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(3,433)	(5,309)
Effects of:		
Group relief surrendered / (claimed) for nil payment	(82)	(35)
Deferred tax not recognised	3,515	5,344
Total tax charge for the year	-	-

#### Factors that may affect future tax charges

A deferred tax asset of approximately £241,585 (2017: £359,934) is not recognised in the financial statements as it is uncertain when and if this will reverse.

In the 2016 Budget the UK Government announced that the main rate of corporation tax would be reduced to 17% with effect from 1 April 2020. However, as no deferred tax balance is recognised, the reduction has no impact upon these financial statements.

### 8. Debtors

	2018 £	2017 £
Trade debtors	2,395	-
Other debtors	-	398
	2,395	398

There has been no effect on contract asset balances due to factors relating to the timing of satisfaction of the Company's performance obligations and their relationship with the typical timing of payment.

# NANT Y MOCH WIND FARM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### 9. Cash at bank and in hand

	2018 £	2017 £
Cash at bank and in hand	<u>73,277</u>	<u>93,343</u>

### 10. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	1,450	-
Accruals and deferred income	<u>3,996</u>	<u>5,446</u>
	<u>5,446</u>	<u>5,446</u>

### 11. Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	73,277	93,343
Financial assets that are debt instruments measured at amortised cost	<u>2,395</u>	<u>-</u>
	<u>75,672</u>	<u>93,343</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets measured at amortised cost comprise accounts receivables.

### 12. Share capital

	2018 £	2017 £
<b>Authorised, allotted, called up and fully paid</b>		
2,432,894 (2017 - 2,432,894) Ordinary shares shares of £1.00 each	<u>2,432,894</u>	<u>2,432,894</u>

# **NANT Y MOCH WIND FARM LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **13. Ultimate parent undertaking and controlling party**

At 31 December 2018 the immediate parent undertaking is Nuon UK Ltd, a company registered in the United Kingdom. The Directors regard Vattenfall AB, a company registered in S-162 87 Stockholm, Sweden as the Company's controlling party and ultimate parent undertaking.

The results of the Company are included in the consolidated financial statements of Vattenfall AB which are available from the Vattenfall website, <http://corporate.vattenfall.com>.