

Blantyre Muir Wind Energy Limited
Company Number: 05542185

Annual Report and Financial Statements
For the year ended 31 December 2020

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Blantyre Muir Wind Energy Limited

Registered No. 05542185

Directors

S Pinnell (resigned 31 March 2020)
C Foreman (resigned 9 February 2021)
F d'Alonzo (resigned 10 December 2019)
D Vermeer
A Pollins (appointed 1 April 2020; resigned 12 October 2020)
R Kraemer (appointed 10 December 2019)
J Graham (appointed 13 October 2020)

Secretary

S Gregory (resigned 23 July 2021)

Auditor

Ernst & Young LLP
Statutory Auditor
2 St Peter's Square
Manchester
M2 3EY

Bankers

MUFG Bank, Limited
Ropemaker Place
25 Ropemaker Street
London, EC2Y 9AN

Registered Office

Level 20
25 Canada Square
London
E14 5LQ

Strategic report

The Directors present the Strategic report of Blantyre Muir Wind Energy Limited (the Company) for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is the generation of electricity at a wind farm. The Directors do not expect the current activities of the Company to change in the future.

Business review

The accompanying financial statements have been prepared in accordance with Financial Reporting Standard 101-Reduced Disclosure Framework (FRS 101) for both periods presented. The Company has taken advantage of the disclosure exemptions allowed under this standard. There were no material recognition or measurement differences arising on the adoption of FRS 101.

The Company has traded profitability during the year, and the Directors expect this to continue for the foreseeable future. The Company's turnover year-on-year was up £234k at £2,964k on the back of higher wind yields and power prices started to recover from July from the depressed prices observed in Q2 when the UK government introduced its first major lockdown to restrict the spread of the Coronavirus which halted economic activity and had a profound effect on the UK Energy market during this period with power prices falling to a record low in May 2020.

During the year, the Company generated 38.7 GWh of electricity and achieved an average load factor of 36%. In the prior year the Company generated 32.0 GWh of electricity and achieved an average load factor of 29.7%. The Company's KPIs include maximising the reliability and availability to maximise the average load factor.

The results of the Company are as follows:

	31 December 2020 £'000	31 December 2019 £'000
Turnover	2,964	2,730
Cost of sales	(880)	(942)
Operating profit	1,755	1,493
Profit for the financial year after taxation	1,080	873

The results of the Company are set out in the Statement of Total Comprehensive Income on page 11 and show a profit on ordinary activities before taxation of £1,398,000 (2019: profit of £1,081,000) and a profit after taxation of £1,080,000 (2019: profit of £873,000).

The Company paid interim dividends of £2,077,000 during the year (2019: £nil). The Directors do not propose the payment of a final dividend for the year (2019: £nil). On 24 June 2020 the Company declared an interim dividend of £1,352,000 being 1,352,000p per share, and on 26 November 2020 the Company declared an interim dividend of £725,000 being 725,000p per share, relating to the year ending 31 December 2020.

Financial risk management objectives and policies

The Company finances its activities with a loan from its parent company and cash. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. The Company also enters into foreign exchange forward contracts, the purpose of which is to manage currency exchange.

The Company's financial instruments therefore give rise to interest rate, credit, price and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes for their management and the methods used to measure each risk.

Strategic report (continued)

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as follows:

Liquidity and interest rate risk

The Company is partially financed by a group loan from its immediate parent company. The repayment schedule of the loan is flexible and interest has been charged on the loan at market rates. The Company has no third party debt. The Directors have reviewed the repayment terms of the intercompany loan which state that repayment will not be required until the Company has sufficient funds.

Market risk

The key risks are wind availability, operational breakdown, wholesale electricity prices and legislative change. Wind availability and energy price volatility risk is mitigated where possible through rigorous project assessment and constant review of the forecast profitability of the project. The risk of operational breakdown is mitigated through ongoing maintenance support from the turbine manufacturer Senvion GmbH.

Credit risk

The credit risk from counterparties is assessed during negotiation of the Power Purchase Agreement (PPA) for the sale of all Renewable Obligation Certificates, energy and embedded benefits generated by the wind farm to the PPA counterparty, over the life of the PPA. The assessment identifies the form and value of credit support required from the counterparty and is stated within the terms and conditions of the PPA.

Employees

The Company had no employees (2019: none) and incurred no employee related costs in the financial year (2019: £nil). The UK renewables portfolio management costs, including staff costs, are charged as a single management cost from Engie UK Wind Services Limited to the Company's immediate parent undertaking Hayabusa Limited.

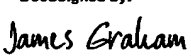
Events after the end of the reporting period

There have been no other significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.

Future developments

The future objective of the business is to maximise financial returns generated from the assets. The Directors do not expect this objective to change in the foreseeable future.

By order of the Board

DocuSigned by:

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J Graham

Director

26 August 2021

Directors' report

The Directors present their report and audited financial statements of Blantyre Muir Wind Energy Ltd (the Company) for the year ended 31 December 2020.

Information disclosed in the Strategic report:

The following information has been disclosed in the Strategic report:

- Principal activities
- Business review
- Principal risks and uncertainties
- Employees
- Events after the end of the reporting period
- Future developments

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic report also considers the principal risks and uncertainties facing the Company and its policies and processes for managing these. The Company's Directors have reviewed the repayment terms of the intercompany loan and prepared future cash flow forecasts for the period up to 31 December 2022, which is more than 12 months from the date of approval of the financial statements. The cash flow forecasts indicate that taking account of reasonably possible downside scenarios that are based on different generation volumes and average power prices, the Company will have sufficient funds to meet its liabilities as they fall due for the forecast period. Therefore the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Directors

The Directors who held office during the financial year and up to the date of this report were as follows:

C Foreman (resigned 9 February 2021)
S Pinnell (resigned 31 March 2020)
F d'Alonzo (resigned 10 December 2019)
D Vermeer
A Pollins (appointed 1 April 2020; resigned 12 October 2020)
R Kraemer (appointed 10 December 2019)
J Graham (appointed 13 October 2020)

The company secretaries who held office during the financial year and up to the date of this report were:

S Gregory (resigned 23 July 2021)

Directors' report (continued)

Directors' third-party indemnity provisions

During the year ended 31 December 2020, no qualifying indemnity provisions made by the Company or a subsidiary of the Company were in force for the benefit of any Directors.

Share capital

The Company's share capital comprises ordinary shares of £1 each which rank pari passu with each other in respect of all rights, including dividend, voting, and return of capital (2019: same).

Dividends

The Company paid interim dividends during the year of £2,077,000 (2019: £nil). The Directors do not propose the payment of a final dividend for the year (2019: £nil). On 24 June 2020 the Company declared an interim dividend of £1,352,000 being 1,352,000p per share, and on 26 November 2020 the Company declared an interim dividend of £725,000 being 725,000p per share, relating to the year ending 31 December 2020.

Disclosure of information to the auditor


The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself 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

Pursuant to Section 485 of the Companies Act 2006, Ernst & Young LLP will be deemed to be appointed as the auditor.

By order of the Board

DocuSigned by:

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J Graham

Director

26 August 2021

Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 judgements 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; 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 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.

Independent auditor's report

to the members of Blantyre Muir Wind Energy Limited

Opinion

We have audited the financial statements of Blantyre Muir Wind Energy Limited for the year ended 31 December 2020 which comprise the Statement of Total Comprehensive Income, the Statement of changes in equity, the Balance Sheet, and the related notes 1 to 21, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period up to 31 December 2022, which is more than 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent auditor's report

to the members of Blantyre Muir Wind Energy Limited (continued)

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 contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions 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 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 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 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, 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 members of Blantyre Muir Wind Energy Limited (continued)

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 "Reduced Disclosure Framework" and the Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, anti-bribery and corruption regulations, and General Data Protection Regulation.
- We understood how Blantyre Muir Wind Energy Limited is complying with those frameworks by making enquiries of management to understand how the company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries by reviewing supporting documents, including the minutes of board meeting.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the risk of fraud through management override and assumed revenue recognition to be a fraud risk, specifically as a result of manual journals posted at the year end. We incorporated data analytics into our audit approach to assist our targeted review of manual journals, including segregation of duties, and our testing of revenue recognition. We tested specific transactions back to source documentation and the estimate of income from Renewables Obligation Certificates to post year end invoice.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included involved journal entries testing, with a focus on journals meeting our defined risk criteria based in our understanding of business; enquires of the legal counsel and management; reviewing the inspection documents and evidence of compliance with relevant ISO standards.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Independent auditor's report

to the members of Blantyre Muir Wind Energy Limited (continued)

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

Anne Wong (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester
27 August 2021

Blantyre Muir Wind Energy Limited

Registered No. 05542185

Statement of Total Comprehensive Income
for the year ended 31 December 2020

		2020	2019
	Note	£'000	£'000
Turnover		2,964	2,730
Cost of sales		(880)	(942)
Gross profit		<u>2,084</u>	<u>1,788</u>
Administrative expenses		(329)	(295)
Operating profit	3	<u>1,755</u>	<u>1,493</u>
Interest payable and similar charges	7a	(359)	(414)
Interest receivable and similar income	7b	2	2
Profit on ordinary activities before taxation		<u>1,398</u>	<u>1,081</u>
Tax charge on profit on ordinary activities	8	(318)	(208)
Profit for the financial year		<u><u>1,080</u></u>	<u><u>873</u></u>

All realised profits arise as a result of continuing operations.

The notes on pages 15 to 31 form part of these financial statements.

Blantyre Muir Wind Energy Limited

Registered No. 05542185

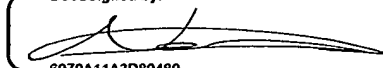
Balance sheet

as at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible fixed assets	10	11,032	11,801
Investment - bonds		122	122
		<u>11,154</u>	<u>11,923</u>
Current assets			
Debtors			
- due within one year	11	948	2,209
Cash at bank and in hand		126	70
		<u>1,074</u>	<u>2,279</u>
Total current assets			
		<u>1,074</u>	<u>2,279</u>
Current liabilities			
Creditors: amounts falling due within one year	12	(1,846)	(1,568)
		<u>(772)</u>	<u>711</u>
Net current (liabilities)/assets			
Total assets less current liabilities		10,382	12,634
Creditors: amounts falling due after more than one year	13	(8,464)	(9,856)
Provisions for liabilities and charges	14	(1,069)	(932)
		<u>849</u>	<u>1,846</u>
Net assets			
		<u>849</u>	<u>1,846</u>
Capital and reserves			
Called up share capital	16	-	-
Retained earnings		849	1,846
		<u>849</u>	<u>1,846</u>
Equity shareholder's funds			
		<u>849</u>	<u>1,846</u>

The notes on pages 15 to 31 form part of these financial statements.

The financial statements of Blantyre Muir Wind Energy Limited, registered number 05542185, were approved and authorised for issue by the Board of Directors on 26 August 2021 and signed on its behalf by:

DocuSigned by:

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D Vermeer

Director

Blantyre Muir Wind Energy Limited

Registered No. 05542185

Statement of changes in equity
 for the year ended 31 December 2020

	Note	Called up share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2019		-	973	973
Total comprehensive income		-	873	873
Dividends	9	-	-	-
At 31 December 2019		-	1,846	1,846
Total comprehensive income		-	1,080	1,080
Dividends	9	-	(2,077)	(,2077)
At 31 December 2020		-	849	849

The notes on pages 15 to 31 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2020

1. General information

Blantyre Muir Wind Energy Limited (the Company) is a private limited company incorporated and domiciled in the United Kingdom. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic report on pages 2 and 3.

These financial statements are separate financial statements. The Company's results are included in the group accounts of Hayabusa Limited. The group accounts of Hayabusa Limited are available to the public and can be obtained from Level 20, 25 Canada Square, London, E14 5LQ.

2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented, unless otherwise stated.

2.1 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The Strategic report also considers the principal risks and uncertainties facing the Company and its policies and processes for managing these. The Company's Directors have reviewed the repayment terms of the intercompany loan and prepared future cash flow forecasts for the period up to 31 December 2022, which is more than 12 months from the date of approval of the financial statements. The cash flow forecasts indicate that taking account of reasonably possible downside scenarios that are based on different generation volumes and average power prices, the Company will have sufficient funds to meet its liabilities as they fall due for the forecast period. Therefore the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.2 Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100), as issued by the Financial Reporting Council. The financial statements have been prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council and in accordance with applicable accounting standards. These financial statements have also been prepared on the going concern basis, and under historical cost convention.

As permitted by FRS 101, the Company has taken advantage of disclosure exemptions from applying the following requirements under that standard in relation to:

Notes to the financial statements

for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

2.2 Basis of preparation (continued)

- i. financial instruments as required by IFRS 7 'Financial Instruments: Disclosures';
- ii. financial instruments valuation techniques and inputs used for fair value measurement as required by paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- iii. the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of property, plant and equipment (paragraph 73(e) of IAS 16 Property, Plant and Equipment);
- iv. the requirements of IAS 7 Statement of Cash Flows to present a statement of cash flows for the period and the disclosure of cash flow information;
- v. the IAS 1 paragraph 16 requirement to state the compliance with all the requirements of IFRSs;
- vi. the IAS 1 paragraphs 134 to 136 requirement to disclose the entity's objectives, policies and processes for managing capital;
- vii. the requirements of paragraphs 30 and 31 of IAS 8 Accounting policies, changes in accounting estimates and errors to disclose when an entity has not applied a new IFRS that has been issued but is not yet effective; and
- viii. the requirements in IAS 24 Related Party Disclosures for related party transactions entered into between two or more members of a group, and the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures (key management compensation).

Adoption of new and revised standards

The Company applied IFRS 16 Leases for the first time during 2019. During the year, no new standards were applied for the first time.

- IFRS 16 Leases (effective date 1 January 2019) – payment of landowner rent under lease agreements during the year have been included in fixed assets, as right of use assets, with a corresponding liability included in creditors. The related depreciation and financing costs have not had a material impact on the financial statements. There were no leases in the prior year requiring restatement.

At the date of authorisation of these financial statements, the Company has not applied new and revised IFRSs that have been issued but are not yet effective and had not yet been adopted by the EU.

2.3 Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below:

Notes to the financial statements

for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

2.3 Judgements and key sources of estimation uncertainty (continued)

Critical accounting judgements and key sources of estimation uncertainty

The following are critical judgements that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognised in the financial statements.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- *Recoverability of tangible fixed assets*

Management have made key assumptions regarding the future technical availability of the wind farm, electricity prices and the UK inflationary environment which directly impact the future economic benefits to be derived from the tangible fixed assets. Changes in these assumptions may affect the estimated useful lives and residual value of the wind farm and other tangible fixed assets. The Company reviews these estimates at each financial period end and also tests for impairment at least once a year or when a trigger event occurs if sooner. Management expect the future economic benefits that will result from the use of the tangible fixed assets will exceed the costs of the investments and thus the costs of the tangible fixed assets are recoverable.

- *Income and deferred tax provisions*

The Company is subject to routine tax audits and also a process whereby tax computations are discussed and agreed with the appropriate authorities. Whilst the ultimate outcome of such tax audits and discussions cannot be determined with certainty, management estimates the level of provisions required for both current and deferred tax on the basis of professional advice and the nature of current discussions with the tax authority concerned.

- *Decommissioning provision*

The Company estimates the likely cost of removing the power plant and making good the damage to the site where a contractual decommissioning and restoration obligation exists. The provision reflects the present value (based on an appropriate discount rate), at the balance sheet date of the decommissioning liability.

Notes to the financial statements

for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

2.4 Significant accounting policies

(a) Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and turnover can be reliably measured. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover is solely derived within the UK from its sole revenue stream of the supply of electricity and renewable obligation certificates generated in the normal course of business excluding discounts, VAT and other sales related taxes. Turnover is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on supply of energy to the customer.

(b) Interest expense

Interest expense is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. Interest on loan amounts used for capital expenditure are capitalised according to the nature of the capital expenditure.

(c) Operating leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(ii) Right-of-use assets

The Company recognises the right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets, which comprises land leases, are depreciated on a straight-line basis over the shorter of the lease term of 28 years and the estimated useful life of the asset.

(iii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments, including in-substance fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Notes to the financial statements

for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

(c) Operating leases (continued)

(iv) Short-term leases and leases of low value

The Company applies the short-term lease recognition to its short-term leases of machinery and equipment (ie, those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to lease of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

As the Company applied the modified retrospective transition method, the reclassification and the adjustments arising from the adoption of IFRS 16 were recognised in the opening balance sheet as of 1 January 2019, and comparative information was not restated. As of 1 January 2019, additional lease liabilities were recognised for leases previously classified as operating leases applying IAS 17. These lease liabilities were measured at the present value of the remaining lease payments and discounted by the entity's incremental borrowing rates as of 1 January 2019. The weighted average incremental cost of borrowing rate applied to the lease liabilities on 1 January 2019 is 3.32%. A corresponding right-of-use asset was recognised for an amount equal to each lease liability.

In applying IFRS 16 for the first time, the Company has applied the following practical expedients permitted by the standard:

- No reassessment was performed of contracts that were previously identified as leases and contracts that were not previously identified as containing a lease applying IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a lease
- Leases for which the lease term ends within 12 months of the date of initial application of IFRS 16 have been treated as short-term leases
- The Company has used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

On transition to IFRS 16, the Company recognised right-of-use assets for £233,000 within Fixed assets and lease liabilities for £233,000 within creditors. There was no impact on the retained earnings.

Notes to the financial statements

for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)**2.4 Significant accounting policies (continued)****(c) Operating leases (continued)**

The reconciliation of differences between the operating lease commitments disclosed under IAS 17 and the lease liabilities recognised on the balance sheet at 1 January 2019 under IFRS 16 is as follows:

	Lease liabilities £'000
Undiscounted future lease payments at 31 December 2018	(933)
Impact of discounting	700
Total lease liability at 1 January 2019	<u>(233)</u>

(d) Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(e) Foreign currencies

In preparing the financial statements, transactions in foreign currencies are translated into the functional currency (Pounds Sterling) using the exchange rates prevailing at the dates of the individual transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate ruling at the reporting date are recognised in the profit and loss account. Non-monetary assets and liabilities are not carried at fair value, are not subsequently restated and are carried at the rate of exchange at the date they are acquired (historical costs).

Notes to the financial statements

for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

(f) Sales tax

Turnover, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Debtors and creditors that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of debtors or creditors in the balance sheet.

(g) Income taxes

Income tax on the results for the year comprises current and deferred tax. Income tax is recognised in the Company's profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

In accordance with IAS 12 *Income taxes*, Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- Where the temporary difference arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss; and
- Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred incomes taxes relate to the same fiscal authority.

Notes to the financial statements

for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

(h) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation and the amount of that obligation has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Where contractually obliged, the Company creates provisions for the decommissioning of the wind farm and environmental restoration. The decommissioning and restoration provisions reflect the present value, at the balance sheet date, of the estimated cost. The provisions are reviewed at each balance sheet dates and are adjusted to reflect the present value of the expense expected to be realised for the settlement of the liability.

The future cost is recognised in the balance sheet as a decommissioning asset by creating an increase in the tangible fixed assets. The depreciation expenses of capitalised decommissioning and restoration costs are included in the profit and loss account together with the depreciation charge on the wind farm's fixed assets. Any change in estimation in the estimated cost or the discount rate are added or deducted from the fixed asset's cost. The discounting effect on the provision is recorded in the profit and loss account as a finance cost.

(i) Tangible fixed assets

Tangible fixed assets are recognised at historical cost less any accumulated depreciation and any accumulated impairment losses. Costs related to assets under construction are capitalised where, in the opinion of the Directors, the related project is highly likely to be successfully developed and the economic benefits arising from future operations will exceed the amount of capitalised expenditure incurred to date and the cost can be measured reliably. Costs incurred prior to meeting the criteria for capitalisation are recorded as an expense within operating costs in the profit and loss account. Loan costs which are directly attributable to assets under construction and which meet the criteria in IAS 23 are capitalised as part of the cost of those assets. Capitalisation ceases when the asset is fully operational.

Depreciation is provided on all tangible fixed assets, other than land and assets in the course of construction, which are depreciated from the date that they are commissioned, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition, of each asset on a straight-line basis over its useful life. In accordance with the components approach, each significant component of an item of property, plant and equipment with a different useful life from that of the main asset to which it relates is depreciated separately over its own useful life.

Tangible fixed assets are depreciated on a straight-line basis over their useful lives as follows:

- Plant and machinery - 25 years
- Decommissioning asset - 25 years

Depreciation commences when the asset is ready for its intended use. The residual values, if not insignificant, and remaining useful lives are reassessed at each balance sheet date. When parts of an item of tangible fixed assets have different useful lives, those components are accounted for as separate classes of tangible fixed assets. An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal of tangible fixed assets are determined by comparing the proceeds received with the carrying amount and are recognised within fixed asset disposals in the profit and loss account.

Notes to the financial statements

for the year ended 31 December 2020 (continued)

2. Accounting policies (continued)

2.4 Significant accounting policies (continued)

(j) Loans and loan costs

All loans are initially recognised at the fair value of the consideration received net of issue costs associated with the loan. Loans are subsequently stated at amortised costs; whereby the carrying amount of the loan is increased by the finance cost incurred in respect of the accounting period and reduced by any cash payments made in the period.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Loan costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use, whereas other loan costs are expensed.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date.

(k) Trade and other debtors

Trade debtors, which generally have 14-120 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, debtors are carried at amortised cost. A provision for impairment of trade debtors is made when there is objective evidence that the Company will not be able to recover all amounts due according to the original terms of the debtor. Balances are written off when the probability of recovery is assessed as being remote and the amount of the loss is recognised in the profit and loss account within administrative expenses. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the profit and loss accounts.

(l) Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade creditors are recognised initially at fair value (transaction price) and subsequently measured at amortised cost using the effective interest method.

(m) Cash at bank and in hand

Cash at bank and in hand and short-term deposits in the balance sheet comprises cash on hand, deposits held at call with banks and short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(n) Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

(o) Operating Profit

Operating profit is stated before interest income and interest payable.

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Notes to the financial statements

for the year ended 31 December 2020 (continued)

3. Operating profit

This is stated after charging:

	2020 £'000	2019 £'000
Depreciation of owned assets	619	617
Fees paid to the Company's auditor for the audit of the financial statements	6	6
Operating lease rentals - land and buildings	74	64

4. Auditor's remuneration

Fees payable to the auditors for the statutory audit of the Company's financial statements were £6,455 (2019: £6,357).

No non-audit fees were payable in the year ended 31 December 2020 (2019: £nil).

5. Directors' remuneration

The Directors did not receive any fees or emoluments from the Company during the year (2019: £nil) directly attributable to their position within the Company and the amount attributable to the qualifying services provided by the Directors to the Company are inconsequential to their other roles and hence no remuneration is disclosed (2019: same).

6. Staff costs

The Company had no employees during the current or prior year.

7. Net finance charges**7a Interest payable and similar charges**

	2020 £'000	2019 £'000
Interest paid to group undertakings	317	372
Interest paid to other related parties	23	23
Unwinding of discount on decommissioning provision	12	12
Lease interest	7	7
Total interest expense	359	414

7b Interest Receivable and similar income

	2020 £'000	2019 £'000
Interest income on cash and cash equivalents	2	2

Notes to the financial statements

for the year ended 31 December 2020 (continued)

8. Tax on profit on ordinary activities

The tax charge comprises:

	2020 £'000	2019 £'000
Current income tax:		
UK corporation tax on profits of the year	251	181
Adjustments in respect of previous years	-	-
Total current income tax	251	181
Deferred tax: (note 15)		
Deferred income tax relating to the origination and reversal of temporary differences	67	27
Adjustments in respect of prior years – deferred tax	-	-
Total deferred tax	67	27
Tax charge in the profit and loss	318	208

The Company earns its profits primarily in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the average standard rate for UK corporation tax, currently 19% (2019: 19%).

The charge for the year can be reconciled to the profit in the profit and loss account as follows:

	2020 £'000	2019 £'000
Reconciliation of tax charge		
Profit before tax	1,398	1,081
Profit multiplied by rate of corporation tax of 19% (2019: 19%)	266	205
Adjustments in respect of prior years – current tax	-	-
Adjustments in respect of prior years – deferred tax	-	-
Tax effect of non-deductible or non-taxable items	1	3
Change in deferred tax rate	51	-
Tax charge in the profit and loss	318	208

The standard rate of tax applied to reported profits on ordinary activities is 19.00% (2019: 19.00%).

The current year applicable statutory tax rate of 19.00% represents a weighted average rate based on 19% applicable for the three months to the 31 March 2019, and a 19% tax rate applicable from the 1 April 2019. The prior year applicable statutory tax rate of 19.00% represents a weighted average rate based on 19% applicable for the three months to the 31 March 2018, and a 19% tax rate applicable from the 1 April 2018.

The Finance (No. 2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020, as enacted by the Finance Act 2016 on 6 September 2016. However, legislation introduced in the Finance Act 2020, enacted on 22 July 2020, repealed the reduction of the corporation tax rate, thereby maintaining the current rate of 19%.

Notes to the financial statements

for the year ended 31 December 2020 (continued)

9. Dividend paid

	2020 £'000	2019 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend of 2,077,000p per share paid in the year ended 31 December 2020 (2019: £nil)	2,077	-
	<u>2,077</u>	<u>-</u>

The Directors do not propose a final dividend (2019: £nil).

10. Tangible fixed assets

	Decommissioning asset £'000	Plant and machinery £'000	Right Of Use asset £'000	Total £'000
Cost				
At 1 January 2020	428	14,733	233	15,394
Decommissioning provision adjustment	(150)	-	-	(150)
At 31 December 2020	<u>278</u>	<u>14,733</u>	<u>233</u>	<u>15,244</u>
Accumulated depreciation				
At 1 January 2020	102	3,481	10	3,593
Charge for the year	16	591	12	619
At 31 December 2020	<u>118</u>	<u>4,072</u>	<u>22</u>	<u>4,212</u>
Net book amount				
At 31 December 2020	<u>160</u>	<u>10,661</u>	<u>211</u>	<u>11,033</u>
At 31 December 2019	<u>326</u>	<u>11,252</u>	<u>223</u>	<u>11,801</u>

Plant and machinery includes interest capitalised during construction. The net book value of the capitalised interest at the balance sheet date is £380,000 (2019: £402,000).

A decommissioning provision has been recognised for the costs of decommissioning the wind farm. An average inflation rate of 1.9% (2019: 3.2%) has been applied to these costs and then discounted back to their net present value at a rate of 2.6% (2019: 2.6%).

The remaining useful economical life of the wind farm is 19 years.

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Notes to the financial statements

for the year ended 31 December 2020 (continued)

11. Debtors due within one year

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	251	1,510
Prepayments	60	53
Accrued income	637	646
	<u>948</u>	<u>2,209</u>

12. Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	49	32
Amounts owed to group undertakings - debt	1,176	1,128
Amounts owed to group undertakings - other	1	4
Corporation tax payable	114	76
Other taxation and social security	256	102
Accruals	240	216
Lease liabilities (note 17)	10	10
	<u>1,846</u>	<u>1,568</u>

Amounts owed to Hayabusa Limited are unsecured, subject to floating interest rates of LIBOR plus interest margin currently at 2.15% and are repayable bi-annually in June and December.

13. Creditors due after one year

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	8,464	9,640
Lease liabilities (note 17)	208	216
	<u>8,672</u>	<u>9,856</u>

Debt can be analysed as falling due:

	2020	2019
	£'000	£'000
Within one year (note 12)	1,176	1,128
Between one and two years	1,238	1,176
Between two and five years	3,857	3,834
After five years	3,369	4,630

Amounts owed to Hayabusa Limited are unsecured, subject to floating interest rates of LIBOR plus interest margin currently at 2.15% and are repayable bi-annually in June and December.

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Notes to the Financial Statements

for the year ended 31 December 2020 (continued)

14. Provisions for liabilities and charges

	Decommissioning	Deferred taxation	Total
	£'000	£'000	£'000
At 1 January 2019	496	436	932
Arising during the year	12	68	80
Change in inflation rate assumption	(150)	-	(150)
At 31 December 2019	<u>358</u>	<u>504</u>	<u>862</u>

A decommissioning provision has been recognised for the costs of decommissioning the wind farm. An average inflation rate of 1.9% (2019: 3.2%) has been applied to these costs and then discounted back to their net present value at a rate of 2.6% (2019: 2.6%).

15. Deferred tax

An analysis of the movements in deferred tax is as follows:

	2020 £'000	2019 £'000
Deferred tax liability at 1 January	436	409
Deferred tax charge in profit and loss account for the year (note 8)	<u>67</u>	<u>27</u>
Deferred tax liability at 31 December	<u>503</u>	<u>436</u>
Analysed as:	2020 £'000	2019 £'000
Other short-term temporary differences	<u>503</u>	<u>436</u>
	<u>503</u>	<u>436</u>

16. Share capital

	2020 £	2019 £
<i>Authorised, issued and called up share capital</i>		
100 ordinary share of £1 each	<u>100</u>	<u>100</u>

Notes to the financial statements

for the year ended 31 December 2020 (continued)

17. Leases

The Company has entered into land leases in respect of the land on which the wind farm is located under non-cancellable operating lease arrangements.

The land leases have been recognised as a right-of-use asset. The carrying value of the right-of-use asset recognised, and the movement during the year are shown in Note 10 Tangible fixed assets. The carrying amounts of the lease liabilities are included in Note 12 Creditors amounts falling due within one year and note 13 Creditors due after one year.

The Company cannot readily determine the interest rate implicit in the leases, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

The Company does not have any short-term leases or leases of low value assets.

Set out below are the carrying amounts of the lease liabilities and the movements during the year:

	2020 £'000	2019 £'000
At 1 January	(226)	-
Additions	-	(233)
Accretion of interest	(7)	(7)
Payments	15	14
At 31 December	<u>(218)</u>	<u>(226)</u>
Current	(10)	(10)
Non-current	<u>(208)</u>	<u>(216)</u>
	<u>(218)</u>	<u>(226)</u>

The following are the amounts recognised in profit and loss

	2020 £'000	2019 £'000
Depreciation expenses on right-of-use assets	11	11
Interest expense on lease liabilities	7	7
Total amount recognised in profit and loss	<u>18</u>	<u>18</u>

Blantyre Muir Wind Energy Limited

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Notes to the financial statements
for the year ended 31 December 2020 (continued)

17. Leases(continued)

The Company as lessee

	2020 £'000	2019 £'000
Lease payments under operating leases Recognised as an expense in the year	74	64

The land rentals payable are a combination of fixed and variable elements linked to the level of future income from electricity generation.

Operating lease payments represent variable rentals in excess of minimum rental fees, payable by the Company for the wind farm at Blantyre Muir, South Lanarkshire, Scotland. The leases term is 28 years.

18. Financial commitments

	2020 £'000	2019 £'000
Contracted for but not provided for – other:		
Within one year	18	18
In the second to fifth years inclusive	71	71
After five years	261	275
	<u>350</u>	<u>364</u>

Notes to the financial statements

for the year ended 31 December 2020 (continued)

19. Related party transactions

As at 31 December 2020 and 31 December 2019, the Company was a wholly owned subsidiary of Hayabusa Limited which is a joint venture of Hayabusa Holdings Limited and Equitix Hayabusa 3 Limited. Hayabusa Holdings Limited is wholly owned by the International Power Limited Group. International Power Limited is wholly owned by ENGIE S.A. (a Company registered in France) formerly GDF Suez S.A.

During the year, the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries.

During the year and prior year, the Company carried out a number of transactions in the normal course of business with the following related parties:

International Power Consolidated Holdings Limited

ENGIE Power Limited

ENGIE Renewables Limited

The aggregate of the transactions are shown below:

	Turnover		Interest payable	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
ENGIE Power Limited	2,964	2,730	(23)	(23)

	Administrative expenses	
	2020	2019
	£'000	£'000
Engie Renewables Limited	(45)	(51)

The following amounts were outstanding at the balance sheet date:

	Amounts owed by related parties	
	2020	2019
	£'000	£'000
ENGIE Power Limited	168	158

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Notes to the financial statements

for the year ended 31 December 2020 (continued)

20. Controlling party

The Company's immediate parent undertaking is Hayabusa Limited, a Company registered in England and Wales, the registered address of which is Level 20, 25 Canada Square, London, E14 5LQ, United Kingdom.

The Directors consider the Company's ultimate parent undertaking and controlling party to be Hayabusa Limited which is incorporated in England and Wales and is registered at Level 20, 25 Canada Square, London, E14 5LQ. Hayabusa Limited is jointly controlled by Hayabusa Holdings Limited and Equitix Hayabusa 3 Limited. The largest and smallest group in which the results of the Company were consolidated for the year ended 31 December 2020 was that headed by Hayabusa Limited. Copies of its consolidated financial statements may be obtained from its registered office at Level 20, 25 Canada Square, London, E14 5LQ, United Kingdom.

21. Non adjusting events after the financial period

There have been no other significant events since the balance sheet date which should be considered for a proper understanding of these financial statements.