

EQUITIX KESSINGLAND LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

EQUITIX KESSINGLAND LIMITED

COMPANY INFORMATION

Directors	R Kraemer (resigned 8 June 2022) J Bayston Jones (resigned 30 May 2022) E Andrew (appointed 1 February 2022) J Sherman (appointed 30 May 2022)
Company secretary	M Duggan
Registered number	06330517
Registered office	Unit G1 Ash Tree Court Nottingham Business Park Nottingham NG8 6PY
Independent auditors	Ryecroft Glenton Chartered Accountants & Statutory Auditors 32 Portland Terrace Newcastle upon Tyne Tyne & Wear NE2 1QP

CONTENTS

	Page
Directors' Report	1 - 3
Independent Auditors' Report	4 - 7
Statement of Comprehensive Income	8
Balance Sheet	9 - 10
Statement of Changes in Equity	11
Notes to the Financial Statements	12 - 23

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the company continued to be that of the operation of an on-shore wind farm in Kessingland, Norfolk.

Results and dividends

The profit for the year, after taxation, amounted to £1,393,303 (2021 - £544,155).

The directors consider the future prospects of the company to be favourable with the continued operation of the on-shore wind farm in Kessingland, Norfolk.

Ordinary dividends were paid amounting to £nil (2021 - £nil). The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year were:

R Kraemer (resigned 8 June 2022)
J Bayston Jones (resigned 30 May 2022)
E Andrew (appointed 1 February 2022)
J Sherman (appointed 30 May 2022)

Directors' responsibilities statement

The directors are responsible for preparing 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Financial risk management

The main financial risks arising from the Company's activities are liquidity risk, commodity price risk, and credit risk.

Liquidity risk

The Company's approach to managing liquidity is to ensure, as far as possible, that it has sufficient funds to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company achieves this by monitoring cash flow forecasts on a 'rolling forecast' basis to ensure it has sufficient cash to meet operational needs while maintaining enough headroom on its cash reserves at all times so as to not breach borrowing limits or covenants.

Commodity price risk

The Company's operations result in exposure to fluctuations in energy prices. In order to manage this, management ensures that the Company enters into sale contracts where the price is fixed for an extended period. Management also ensures that once the fixed period has concluded, the contract includes a minimum renewal price (a 'floor price'). This ensures that the profits can be maintained at a minimum level to ensure that the ongoing profitability of the Company.

Credit risk

The Company's exposure to credit risk arises from its debtors from customers. At the balance sheet date, the directors have concluded that no provision for doubtful debts is necessary and believe that there is no further credit risk.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In the annual review of the Company's going concern, the directors have considered the long-term impact of the Covid-19 pandemic. The Company has entered into long-term contracts with both customers and suppliers, and after careful review of these contracts, the directors are confident that the Company can operate as normal for the next twelve months. The directors have committed to carrying out regular reviews of the Company's cash flows, and regular reviews of forecasts to monitor the ongoing situation.

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

Auditors

The auditors, Ryecroft Glenton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 29 September 2023 and signed on its behalf.

E Andrew

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUITIX KESSINGLAND LIMITED

Opinion

We have audited the financial statements of Equitix Kessingland Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 2022 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 Auditors' 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

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 of at least twelve 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUITIX KESSINGLAND LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 our 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 this gives rise to 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 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUITIX KESSINGLAND LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

Auditors' 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 Auditors' 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.

The extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Responsible Individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery and employment legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EQUITIX KESSINGLAND LIMITED (CONTINUED)

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors, including discussions with those responsible for compliance.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our Auditors' 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 Auditors' 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.

Grahame Maughan (Senior Statutory Auditor)

for and on behalf of

Ryecroft Glenton

Chartered Accountants

Statutory Auditors

32 Portland Terrace

Newcastle upon Tyne

Tyne & Wear

NE2 1QP

29 September 2023

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		2,320,860	1,650,480
Cost of sales		(610,354)	(678,145)
Gross profit		1,710,506	972,335
Administrative expenses		(146,959)	(219,164)
Other operating income	4	24,261	-
Operating profit	5	1,587,808	753,171
Interest receivable and similar income	7	76,057	74,599
Interest payable and similar expenses	8	(165,368)	(194,530)
Profit before tax		1,498,497	633,240
Tax on profit	9	(105,194)	(89,085)
Profit for the financial year		1,393,303	544,155

There was no other comprehensive income for 2022 (2021: £NIL).

The notes on pages 12 to 23 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	3,058,230	3,411,102
		<u>3,058,230</u>	<u>3,411,102</u>
Current assets			
Debtors: amounts falling due within one year	11	3,306,868	3,083,029
Cash at bank and in hand	12	1,596,205	1,215,237
		<u>4,903,073</u>	<u>4,298,266</u>
Creditors: amounts falling due within one year	13	(1,010,352)	(930,926)
Net current assets		<u>3,892,721</u>	<u>3,367,340</u>
Total assets less current liabilities		<u>6,950,951</u>	<u>6,778,442</u>
Creditors: amounts falling due after more than one year	14	(3,717,339)	(4,891,542)
Provisions for liabilities			
Deferred tax	16	(491,693)	(538,284)
		<u>(491,693)</u>	<u>(538,284)</u>
Net assets		<u>2,741,919</u>	<u>1,348,616</u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account		2,741,819	1,348,516
		<u>2,741,919</u>	<u>1,348,616</u>

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2023.

E Andrew

Director

The notes on pages 12 to 23 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	100	804,361	804,461
Profit for the year	-	544,155	544,155
At 1 January 2022	100	1,348,516	1,348,616
Profit for the year	-	1,393,303	1,393,303
At 31 December 2022	100	2,741,819	2,741,919

The notes on pages 12 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Equitix Kessingland Limited is a private company limited by shares incorporated in England and Wales, company number 06330517. The registered office is Unit G1 Ash Tree Court, Nottingham Business Park, Nottingham, NG8 6PY.

The principal activities of the Company are set out in the Directors' Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 as applicable to companies subject to small companies regime. The disclosure requirements of section 1A of Financial Reporting Standard 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 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 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Equitix Giraffe Holdco Limited as at 31 December 2022 and these financial statements may be obtained from The Registrar of Companies, Crown Way, Cardiff, CF14 3UZ.

2.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

In the annual review of the Company's going concern, the directors have considered the long-term impact of the Covid-19 pandemic. The Company has entered into long-term contracts with both customers and suppliers, and after careful review of these contracts, the directors are confident that the Company can operate as normal for the next twelve months. The directors have committed to carrying out regular reviews of the Company's cash flows, and regular reviews of forecasts to monitor the ongoing situation.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Turnover

Turnover, which is stated net of value added tax, represents amounts received or receivable in relation to the company's principal activities in the United Kingdom.

Turnover from the supply of electricity and associated benefits represents the value of electricity generated under contracts to the extent that there is a right to consideration and is measured and recorded at the fair value of consideration due.

The Company recognises turnover when performance obligations have been satisfied which is when electricity has been generated and transferred to the customer along with the associated benefits and the customer subsequently has control of these.

The directors consider that there is only one class of business and hence segmental information by class is not provided. The total turnover of the company for the financial year has been derived from its principal activity wholly undertaken in the UK.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- Straight line over 20 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.9 Operating leases: the Company as lessee

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern which economic benefits from the leases asset are consumed.

2.10 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of tangible fixed assets

Determining whether tangible fixed assets are impaired requires an estimation of the value in use of the related assets. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the asset and the pre-tax discount rate in order to calculate present value. Forecast wind volumes are based on wind studies carried out at the commencement of each project, adjusted for experience as necessary. Electricity prices are determined with reference to externally sourced forward price curves, on contracted rates as appropriate. Forecasts cover the expected life of each project. There is no evidence of impairment.

Estimation of tangible fixed asset useful lives

The useful life used to depreciate tangible fixed assets relates to expected future performance of the assets acquired and management's estimate of the period over which economic benefits will be derived from the asset. There is no evidence of any changes to the asset useful lives.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Other operating income

	2022 £	2021 £
Other operating income	24,261	-
	<u>24,261</u>	<u>-</u>

5. Operating profit

The operating profit is stated after charging /(crediting):

	2022 £	2021 £
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(947)	876
Fees payable to the company's auditor for the audit of the company's financial statements	10,113	8,999
Depreciation of tangible fixed assets	325,872	325,872
Operating lease rentals	<u>55,463</u>	<u>64,291</u>

6. Employees

The Company had no employees during the year (2021 - none). The directors are remunerated by shareholding companies for their services to the group as a whole. A recharge is made for these services.

7. Interest receivable

	2022 £	2021 £
Interest receivable from group companies	76,057	74,599
	<u>76,057</u>	<u>74,599</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

8. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	165,368	193,131
Loans from group undertakings	-	1,399
	<u>165,368</u>	<u>194,530</u>

9. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	126,983	(9,985)
Adjustments in respect of previous periods	24,802	-
Total current tax	<u>151,785</u>	<u>(9,985)</u>
Deferred tax		
Origination and reversal of timing differences	(46,591)	99,070
Total deferred tax	<u>(46,591)</u>	<u>99,070</u>
Tax on profit	<u>105,194</u>	<u>89,085</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>1,498,497</u>	<u>633,240</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	284,714	120,316
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	29	-
Adjustments in respect of prior years	24,802	(9,985)
Group relief	(197,908)	(155,173)
Adjustment to opening deferred tax rate	-	129,187
Fixed asset timing differences	(6,443)	4,740
Total tax charge for the year	<u>105,194</u>	<u>89,085</u>

Factors that may affect future tax charges

The March 2021 budget outlined a change to the tax rate, increasing the maximum rate to 25% from 2023 onward.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

10. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2022	7,057,451
	<hr/>
At 31 December 2022	7,057,451
	<hr/>
Depreciation	
At 1 January 2022	3,646,349
Charge for the year on owned assets	352,872
	<hr/>
At 31 December 2022	3,999,221
	<hr/>
Net book value	
At 31 December 2022	3,058,230
	<hr/> <hr/>
At 31 December 2021	3,411,102
	<hr/> <hr/>

11. Debtors

	2022 £	2021 £
Trade debtors	121	121
Amounts owed by group undertakings	2,961,288	2,684,334
Prepayments and accrued income	345,459	373,772
Tax recoverable	-	24,802
	<hr/>	<hr/>
	3,306,868	3,083,029
	<hr/> <hr/>	<hr/> <hr/>

The amounts owed by group undertakings includes an upstream loan of £2,284,004 which bears an interest rate of 3.33% per annum and is repayable on demand. There is also accrued interest on the balance of £150,656 (2021 - £74,599).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	1,596,205	1,215,237
	<u>1,596,205</u>	<u>1,215,237</u>

13. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans (Note 15)	492,410	471,331
Trade creditors	28,293	140,434
Amounts owed to group undertakings	197,046	197,046
Corporation tax	126,983	-
Other taxation and social security	129,270	50,465
Accruals and deferred income	36,350	71,650
	<u>1,010,352</u>	<u>930,926</u>

14. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans (Note 15)	3,717,339	4,891,542
	<u>3,717,339</u>	<u>4,891,542</u>

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2022	2021
	£	£
Repayable by instalments	1,794,107	2,800,000
	<u>1,794,107</u>	<u>2,800,000</u>

Details of the terms of repayment and the rates of interest payable on the amounts repayable more than five years after the balance sheet date are listed in Note 15.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	492,410	471,331
	<u>492,410</u>	<u>471,331</u>
Amounts falling due after more than one year		
Bank loans	3,717,339	4,891,542
	<u>3,717,339</u>	<u>4,891,542</u>
	<u>4,209,749</u>	<u>5,362,873</u>

Bank loans comprise £4,320,568 (2021 - £5,481,850) held with Triodos Bank NV, of which Tranche 3 bears interest at a fixed rate of 4.37%, Tranche 4 bears interest at a fixed rate of 4.57%, Tranche 5 bears interest at a fixed rate of 1.871%, Tranche 6 bears interest at a fixed rate of 2.027% and Tranche 7 bears interest at a fixed rate of 2.21% for the term of the loans. Also included within the loan balance is £110,819 (2021 - £118,977) relating to finance costs.

All bank loans are secured by way of a fixed charge over the company's assets. The final repayment of the bank loans is 21 December 2023 for Tranches 3 and 5, 21 December 2026 for Tranches 4 and 6, and 21 June 2031 for Tranche 7.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. Deferred taxation

	2022 £
At beginning of year	(538,284)
Charged to profit or loss	46,591
At end of year	<u>(491,693)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(491,693)	(538,284)
	<u>(491,693)</u>	<u>(538,284)</u>

17. Share capital

	2022 £	2021 £
Authorised, allotted, called up and fully paid		
100 (2021 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

18. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	38,210	33,722
Later than 1 year and not later than 5 years	163,121	134,890
Later than 5 years	423,509	337,224
	<u>624,840</u>	<u>505,836</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

19. Related party transactions

The Company has taken advantage of the exemption in FRS102 and has not disclosed transactions with related parties where they are wholly owned.

During the year the Company paid £19,497 (2021 - £22,933) to Equitix Management Services Limited for management services provided during the year. At the reporting date £3,947 (2021 - £1,830) of the management services fees remained outstanding within trade creditors.

20. Parent company

The Company's immediate parent company is Equitix Giraffe Finco Limited, which is registered in England and Wales.

The Company's intermediate parent company is Equitix Giraffe Holdco Limited, which is registered in England and Wales. This is the largest and smallest member of the group preparing consolidated financial statements which can be obtained from Companies House.

The Company's ultimate parent and controlling entity is Equitix Fund V LP, a limited partnership registered in England and Wales.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.