

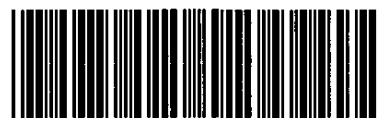
Registration number: 07667230

# Sisters Wind Farm Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022

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## **Sisters Wind Farm Limited**

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## **Sisters Wind Farm Limited**

### **Directors' Report for the Year Ended 31 December 2022**

The Directors present their Directors' report and the financial statements for the Sisters Wind Farm Limited (the "Company") for the year ended 31 December 2022.

The Company has adopted the exemptions available in Sections 414(B) and 416(3) of the Companies Act 2006 with regard to the Small Companies Regime.

#### **Principal activities**

The principal activity of Sisters Wind Farm Limited company is the generation and sale of electricity from onshore wind turbines in the UK. The Company has an installed capacity of 8MW.

Sisters Wind Farm Limited is a subsidiary of Mobius Wind Holdings Limited. The company is a member of the Ventient Energy Limited Group. The Company's Group parent, Ventient Energy Limited, has a total of 689.5MW of installed wind capacity across 34 wind farms in the UK. Ventient Energy Limited is, in turn, a subsidiary of Ventient Energy Sarl which is the second largest, non-utility, generator of onshore wind energy in Europe.

#### **Results and dividends**

The loss after tax for the year amounted to £0.03 million (2021: £0.47 million).

No dividends were paid or proposed in the year or to the date of this report (2021: £nil).

#### **Financial Risk Management**

The company aims to minimise financial risk as far as it possibly can. The main purpose of the Company's financial instruments is to provide working capital for the Company's continuing activities and provide funding for future activities. Given the nature of the Company's financial instruments the main risk associated with these is credit risk, however this is minimised due to the fact exposure is spread over several counterparties and customers who are of investment grade status. The main strategies for the Company financial instruments are outlined below:

- Trade Receivables: Power Price agreements are used to fix the electricity price and reduce the exposure to fluctuating market power prices. Customers or off takers are investment grade status
- Cash and Cash Equivalents: Cash flows are monitored regularly in order to meet bank covenant ratios and excess cash balances are returned to the owning stakeholder. There are no significant currency exposures
- Trade Payables: significant suppliers such as operating and maintenance service providers are assessed for their financial viability and incentivised to achieve levels of windfarm performance. Again there is little direct exposure to supplier related foreign currency transactions.

#### **Going concern**

The company is in a net current liabilities position and is dependent on funds provided to it by entities within the Ventient Energy Limited Group. The Group Parent, Ventient Energy Limited, has confirmed that it will provide additional funding to enable the Company to meet its obligations and liabilities as they fall due for a period at least 12 months from the date of approval of the Company's financial statements.

As detailed in the Going Concern accounting policy, the Directors are of the opinion that it is appropriate to adopt the going concern basis in the preparation of these financial statements.

## **Sisters Wind Farm Limited**

### **Directors' Report for the Year Ended 31 December 2022**

#### **Directors' of the company**

The Directors of the Company during the year and up to the date of signing the financial statements, unless otherwise stated, were as follows:

M R Jones (resigned 28 March 2023)

P Andres

R J Maia da Silva

#### **Directors' indemnity and insurance**

Throughout the financial year and at the date of approval, both qualifying third party directors' and officers' liability insurance, and directors' indemnity provision, were in force.

#### **Political donations**

The Company did not make any political donations or incur any political expenditure during the year (2021: £nil).

#### **Basis of preparation**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the board on 26 September 2023 and signed on its behalf by:



P Andres  
Director

Connect House,  
133-137 Alexandra Road,  
Wimbledon,  
London,  
SW19 7JY.

## **Sisters Wind Farm Limited**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed for the company financial statements, 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 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.

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.

# Sisters Wind Farm Limited

## Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	2	2,929	2,047
Cost of sales		<u>(2,160)</u>	<u>(1,434)</u>
Gross profit		769	613
Administrative expenses		<u>(44)</u>	<u>(23)</u>
Operating profit	3	725	590
Finance expense	5	<u>(657)</u>	<u>(703)</u>
Profit/(loss) before taxation		68	(113)
Taxation	6	<u>(93)</u>	<u>(354)</u>
Loss for the financial year		<u>(25)</u>	<u>(467)</u>
Total comprehensive expense for the year		<u>(25)</u>	<u>(467)</u>

# Sisters Wind Farm Limited

## Balance Sheet as at 31 December 2022

	Note	31 December 2022 £ 000	31 December 2021 £ 000
<b>Fixed assets</b>			
Intangible assets	7	483	518
Property, plant and equipment	8	<u>13,793</u>	<u>14,958</u>
		<u>14,276</u>	<u>15,476</u>
<b>Current assets</b>			
Trade and other receivables	10	1,470	4,614
Cash at bank and in hand		<u>719</u>	<u>242</u>
		2,189	4,856
<b>Creditors: Amounts falling due within one year</b>	11	<u>(12,751)</u>	<u>(16,476)</u>
<b>Net current liabilities</b>		<u>(10,562)</u>	<u>(11,620)</u>
<b>Total assets less current liabilities</b>		<u>3,714</u>	<u>3,856</u>
<b>Creditors: Amounts falling due after more than one year</b>	12	<u>(863)</u>	<u>(783)</u>
<b>Provisions for Liabilities</b>			
Deferred tax liabilities	13	(1,007)	(948)
Other provisions	14	<u>(617)</u>	<u>(873)</u>
		<u>(1,624)</u>	<u>(1,821)</u>
<b>Net assets</b>		<u>1,227</u>	<u>1,252</u>
<b>Capital and reserves</b>			
Called up share capital	15	-	-
Retained earnings	15	<u>1,227</u>	<u>1,252</u>
<b>Shareholders' funds</b>		<u>1,227</u>	<u>1,252</u>

For the financial year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with section 476 of the Companies Act 2006.

The financial statements on pages 4 to 24 were approved by the board on 26 September 2023 and signed on its behalf by:

Digitally signed by P. Andres, DN: cn=P. Andres, o=Sisters Wind Farm Limited, ou=Directors, email=p.andres@sisterswindfarm.co.uk, c=GB  


P Andres  
Director

Company registration no. 07667230

The notes on pages 7 to 24 form an integral part of these financial statements.

# **Sisters Wind Farm Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2022**

	<b>Called up share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2022	-	1,252	1,252
Loss for the year	-	(25)	(25)
Total comprehensive income	-	(25)	(25)
At 31 December 2022	-	1,227	1,227
	<b>Called up share capital £ 000</b>	<b>Retained earnings £ 000</b>	<b>Total £ 000</b>
At 1 January 2021	-	1,719	1,719
Loss for the year	-	(467)	(467)
Total comprehensive income	-	(467)	(467)
At 31 December 2021	-	1,252	1,252



## **Sisters Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **1 Accounting policies**

##### **Basis of preparation**

Sisters Wind Farm Limited is a private company, limited by shares, incorporated, domiciled and registered in the UK. The registered number is 07667230 and the registered address is Connect House, 133-137 Alexandra Road, Wimbledon, London, England, SW19 7JY.

These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006, as applicable to companies using FRS101.

The accounting policies set out below have been applied consistently in these financial statements.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Accounting Standards in conformity with the requirements of the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year, are discussed in section Accounting estimates and judgments.

The Company's financial statements are presented in sterling, which is the Company's functional currency.

The Company's Group parent undertaking, Ventient Energy Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Ventient Energy Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary, C/O Burness Paull LLP, 50 Lothian Road, Festival Square, Edinburgh, Scotland, EH3 9WJ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel;
- Disclosures in respect of accrued income balances.

As the consolidated financial statements of Ventient Energy Limited, the Company's Group parent undertaking, include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value measurement and the disclosures required by IFRS 7 Financial Instrument disclosures.

## **Sisters Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Measurement convention**

The financial statements are prepared on the historical cost basis. All values are rounded to the nearest thousand (£000) except where otherwise stated.

#### **Going concern**

The financial statements have been prepared on the going concern basis, notwithstanding net current liabilities of £10,562,000 (2021: net current liabilities £11,620,000). The Directors believe this to be appropriate for the following reasons.

The Company is dependent for its working capital on funds provided to it by entities within the Ventient Energy Limited Group ('the Group'). This Group is also subject to common bank loan arrangements. The Group Parent, Ventient Energy Limited, has confirmed that it will provide sufficient funds to allow the Company to meet its financial liabilities and obligations as they fall due for a period of at least the twelve months after the date upon which the statutory financial statements of the Company are finalised by directors' approval. The Group Parent has confirmed that any intercompany balances, which are due on demand, will not be called for if such repayment would be likely to give rise to the inability of the Company to meet its financial liabilities and obligations as they fall due.

The Group Parent, has sufficient resources to make this commitment, and forecasts that it will continue to operate within its restrictive borrowing covenants for at least the next twelve months.

As such, the Directors consider that the support of the Group Parent will enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment.

#### **Non-derivative financial instruments**

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

##### *Trade and other receivables*

Trade and other receivables are recognised initially at amortised cost. Subsequent to initial recognition an estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

##### *Trade and other payables*

Trade and other payables are carried at cost.

#### **Intangible fixed assets**

Intangible fixed assets are stated at cost less accumulated amortisation.

Amortisation is charged to the income statement on a straight-line basis over the lower of the lease term or 20 years.

## **Sisters Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Tangible assets**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour and any other costs (including interest) directly attributable to bringing the asset to a working condition for its intended use. During the construction phase these assets are held separately and depreciation commences once the asset is commissioned.

The cost of replacing an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the final economic benefits will flow to the Group. The carrying amount of the asset replaced is then derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement.

#### **Depreciation**

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets less the residual value. The estimated useful lives are as follows:

<b>Asset class</b>	<b>Useful lives</b>
Wind farm assets	20 - 25 years
Decommissioning assets	20 - 25 years

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

#### **Leases**

Under IFRS 16, a lessor is required to determine whether a lease is a finance or operating lease. A lessee is not required to make this determination.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease, if the rate can be determined, or the Company's incremental borrowing rate appropriate for the right-of-use asset arising from the lease.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit and loss over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of twelve months or less.

## **Sisters Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Impairment of financial assets**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### **Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets, other than are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

#### **Provisions**

##### *Decommissioning of wind farms*

A provision is made for the decommissioning of the wind farms based on the Company's best estimate of the cost of decommissioning. These costs are a contractual obligation when the planning consent is granted to ensure appropriate restoration of the land.

Provisions for decommissioning are recognised in full when the related facilities are constructed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related plant and equipment as a decommissioning asset. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed at each balance sheet date. Changes in the estimated timing and value of decommissioning costs estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to the decommissioning asset cost. The unwinding of the discount on the decommissioning provision is included as a finance cost.

## **Sisters Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Revenue**

Revenue is the income derived from the sale of generated electricity and associated renewable certificates and embedded benefits, measured at the fair value of consideration received or receivable, net of value added tax to electricity retailers. All revenue is generated in the United Kingdom.

Revenue is recognised where there is a signed unconditional contract of sale and is based upon the quantity of generated electricity exported and the contracted prices on the date of generation. In the case of ROC Recycle income, where the ROC price is not confirmed until after the balance sheet date, income is accrued and recognised based on an estimated unit price as provided by an industry leading independent third party.

Revenue includes an estimate for the recycled price of Renewable Obligation Certificates (ROCs) sold during the financial year. This price is variable and is estimated based on a number of factors including UK electricity demand, targets set for renewable generation in the UK and the actual amount of UK renewable energy generation achieved.

The company is obliged to deliver power and to record the quantity and value accurately. These obligations are satisfied when the wholesale customer submits monthly self-billing statements of usage and these have been matched to the Company's generation records.

#### **Expenses**

##### *Royalty payments*

Royalty payments to landlords are recognised in the income statement as they accrue, based on the terms of the agreement with the landlord at each site.

#### **Finance income and costs**

##### *Finance expense*

Interest payable is recognised in the profit and loss account as it accrues, using the effective interest method. Costs incurred in raising finance are capitalised and amortised over the length of the borrowing. Additional costs incurred due to the redemption of a facility are charged to the income statement in the year in which they are incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time (more than 12 months) to be prepared for use, are capitalised as part of the cost of that asset.

##### *Finance income*

Interest income arises on cash deposits and funds invested and is recognised in the income statement as it accrues, using the effective interest method.

## **Sisters Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Taxation**

Tax on the profit or loss for the period comprises deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

## **Sisters Wind Farm Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Accounting estimates and judgments**

In the process of applying the Company's accounting policies, management necessarily makes judgments and estimates that have a significant impact on the values recognised in the financial statements. Changes in the assumptions underlying these judgments and estimates could result in a significant impact to the financial statements. The most critical of these accounting judgments and estimates are explained below.

#### *Valuation of wind rights acquired*

Wind rights acquired via a business combination were initially valued based on the net present value of expected cash flows from electricity generation. A number of assumptions were made in arriving at such valuations which include price Wind - capacity and wind yields.

Assumptions were also required to determine the cash generating unit to which each intangible asset is allocated, and the discount rate applied, in the net present value calculation.

The judgments applied, and the assumptions underpinning them, were considered to be appropriate at the time of valuation. However, a change in these assumptions could impact upon the value of an intangible asset recognised upon acquisition.

#### *Impairment*

In assessing impairment, judgment is required to establish whether there have been indicators of impairment for all amortising and depreciating fixed assets.

Once the need to determine the recoverable amount of an asset has been identified, valuation requires estimation of future cash flows and/or determining a fair value of the asset.

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## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### *Estimation of useful economic life*

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the income statement. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and is based on the shorter of technical life, economic life and contractual rights. This is then reviewed annually for appropriateness and extended to the extent that the contractual rights allow it to be extended.

#### *Decommissioning provision*

Amounts used in recording a provision for decommissioning of wind farms are estimates based on current legal and constructive requirements. Due to changes in relation to these items, the future actual cash outflows in relation to decommissioning are likely to differ in practice. To reflect the effects due to changes in legislation, requirements and technology and price levels, the carrying amounts of decommissioning provisions are reviewed on an annual basis. The effects of changes in estimates do not give rise to prior year adjustments and are dealt with prospectively over the estimated remaining useful lives for each wind farm. In estimating decommissioning provisions, the Company applies annual inflation rate of 3.9% (2021: 3.1%) and discount rate of 3.6% (2021: (1.5%).

#### *ROC Recycle*

The confirmed price for ROC recycle income is not known until after the balance sheet date. As such, income is recognised based on an estimated unit price as provided by an industry leading independent third party.

#### **Adopted IFRS not yet applied**

Other accounting standards and interpretations have been published and will be mandatory for the Company's accounting period beginning on or after 1 January 2023 or later periods. The impact of these standards is not expected to be material to the reported results and financial position of the Company.



## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 2 Revenue

The company derives revenue from the sale of electricity generated from onshore wind turbines in the UK. Other sources of revenue includes curtailment, liquidated damages and temporary agreements.

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Income from external sources	2,929	2,047
	<u>2,929</u>	<u>2,047</u>

Economic factors that can affect the nature and uncertainty of revenue are the impact of the wholesale energy price on our variable Purchase Price Agreements (PPAs). The majority of our PPAs are fixed and others are affected by changes in the traded power market price.

For any revenue stream driven by generation (Traded Power, Balancing Services Use of System (BSUoS), the performance obligation is satisfied by the transfer of power. This is reconciled in the month of invoicing through the receipt of a customer statement, the Company invoice, and subsequent payment. For the ROC Buyout, the performance obligation is satisfied by the transfer of ROCs from Ofgem to the customer. Both the Company and the customer receive notice of this.

#### 3 Operating profit

Operating profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation of property, plant and equipment	985	732
- which includes depreciation of right-of-use assets	37	32
Amortisation expense	35	25
Payments to landlords for royalties	<u>143</u>	<u>83</u>

#### 4 Staff costs

During the current and prior year the Directors were remunerated for services provided to the Ventient Energy Limited Group. In both the current and prior year any remuneration specific to qualifying activities performed solely in relation to the Company were trivial and were not recharged to the Company. The Company had no employees, apart from Directors during the current or prior year.

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## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 5 Finance income and expenses

	2022	2021
	£ 000	£ 000
	2022	2021
	£ 000	£ 000
<b>Finance expenses</b>		
Payable to group undertakings	599	658
Interest on lease liability	36	33
Unwinding of discount on decommissioning provision	22	12
Total finance expenses	<u>657</u>	<u>703</u>

## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 6 Taxation

Recognised in the profit and loss account

	2022 £ 000	2021 £ 000
<b>Current taxation</b>		
UK corporation tax	34	-
<b>Deferred taxation</b>		
Arising from origination and reversal of temporary differences	69	358
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	(10)	(4)
Total deferred taxation	59	354
Tax expense in the profit and loss account	93	354

Reconciliation of effective tax rate

	2022 £ 000	2021 £ 000
Profit/(loss) before taxation	68	(113)
Tax using the UK corporation tax rate of 19%	13	(21)
Adjustment in respect of prior periods	(10)	(4)
Increase/(decrease) from effect of capital allowances depreciation	1	(3)
Difference between the DT and CT rates	(5)	253
Non-deductible expenses	94	40
Tax impact of group relief claims	-	89
Total tax charge	93	354

On 3 March 2021, the UK Government announced a change in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The 25% rate was substantively enacted on 10 June 2021. The deferred tax balances at 31 December 2022 have been measured using the rates that apply in the periods when the underlying timing differences, on which deferred tax is recognised, are expected to unwind.

## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 7 Intangible assets

	Wind usage rights £ 000
<b>Cost</b>	
At 1 January 2021 & 1 January 2022	820
At 31 December 2022	820
<b>Accumulated amortisation</b>	
At 1 January 2021	277
Charge for the year	25
At 31 December 2021	302
At 1 January 2022	302
Charge for the year	35
At 31 December 2022	337
<b>Net book value</b>	
At 31 December 2022	483
At 31 December 2021	518

Wind usage rights represent the combination of the Renewable Energy Certificates and Power Purchase Agreements in place at the time of acquisition.

The operating life of the windfarm is assessed as the lower of (sooner) the Lease termination, project planning end date or economic life end date.

At the end of each year, the Company assesses assets for impairment as described in note 1, by first assessing whether there have been any indicators (both internal and external) that an impairment has occurred. The Directors have not identified any indication of impairment.

# Sisters Wind Farm Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 8 Tangible assets

	Wind farm assets £ 000	Decommissioning assets £ 000	Total £ 000
<b>Cost or valuation</b>			
At 1 January 2021	17,973	825	18,798
Additions	37	-	37
Uplift due to reassessment of provision	-	2	2
At 31 December 2021	18,010	827	18,837
At 1 January 2022	18,010	827	18,837
Additions	98	-	98
Reduction due to reassessment of provision	-	(278)	(278)
At 31 December 2022	18,108	549	18,657
<b>Depreciation</b>			
At 1 January 2021	3,032	115	3,147
Charge for year	698	34	732
At 31 December 2021	3,730	149	3,879
At 1 January 2022	3,730	149	3,879
Charge for the year	944	41	985
At 31 December 2022	4,674	190	4,864
<b>Carrying amount</b>			
At 31 December 2022	13,434	359	13,793
At 31 December 2021	14,280	678	14,958

## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 9 Leases

The Company has lease contracts for windfarm assets used in the operations. The amounts recognised in the financial statements in relation to the leases are as follows:

##### Amounts recognised in the Balance Sheet

The Balance Sheet shows the following amounts relating to leases:

	31 December 2022 £ 000	31 December 2021 £ 000
<b>Right-of-use-asset</b>		
Windfarm assets	737	674
	<u>737</u>	<u>674</u>
	31 December 2022 £ 000	31 December 2021 £ 000
Current	16	14
Non-current	863	783
	<u>879</u>	<u>797</u>

Right of use assets are included in Windfarm assets (Note 8).

There were remeasurements, due to changes in the Retail Price Index and Consumer Price Index, of £98,000 (2021: £37,000)

##### Amounts recognised in the Statement of Comprehensive Income

	31 December 2022 £ 000	31 December 2021 £ 000
Wind farm assets	37	32
	<u>37</u>	<u>32</u>
Interest expense (Note 5)	73	66
Expenses relating to variable lease payments not included in lease payments	91	37

## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

Future minimum lease payments as at 31 December 2022 and 31 December 2021 as follows:

	31 December 2022 £ 000	31 December 2021 £ 000
Not later than one year	52	46
Later than one year and not later than five years	207	184
Later than five years	<u>1,082</u>	<u>1,010</u>
Total gross payments	<u>1,341</u>	<u>1,240</u>
Impact of finance expense	<u>(462)</u>	<u>(443)</u>
Carrying amount of liability	<u>879</u>	<u>797</u>

The leases include windfarms. Rental contracts are typically made for fixed periods of up to 30 years, there may be options to extend.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

#### 10 Trade and other debtors

	31 December 2022 £ 000	31 December 2021 £ 000
Trade debtors	211	
Amounts owed by group undertakings	-	3,211
Other debtors	463	511
Prepayments and accrued income	<u>796</u>	<u>892</u>
	<u>1,470</u>	<u>4,614</u>

#### 11 Creditors: amounts falling due within one year

	31 December 2022 £ 000	31 December 2021 £ 000
Lease liabilities	16	14
Trade creditors	50	159
Amounts owed to group undertakings	12,169	15,887
Corporation tax payable	34	-
Accruals	<u>483</u>	<u>416</u>
	<u>12,751</u>	<u>16,476</u>

# Sisters Wind Farm Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 12 Creditors: amounts falling due after more than one year

	31 December 2022 £ 000	31 December 2021 £ 000
Lease liabilities	863	783
	<u>863</u>	<u>783</u>

### 13 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Asset £ 000	Liability £ 000	Net deferred tax £ 000
<b>2022</b>			
Property, plant and equipment	-	(1,572)	(1,572)
Tax value of loss carry-forwards utilised	468	-	468
Other temporary differences	83	-	83
IFRS 16	14	-	14
	<u>565</u>	<u>(1,572)</u>	<u>(1,007)</u>
<b>2021</b>			
Property, plant and equipment	-	(1,558)	(1,558)
Tax value of loss carry-forwards utilised	512	-	512
Other temporary differences	84	-	84
IFRS 16	14	-	14
	<u>610</u>	<u>(1,558)</u>	<u>(948)</u>

Deferred tax movement during the year:

	At 1 January 2022 £ 000	Recognised in income £ 000	At 31 December 2022 £ 000
Property, plant and equipment	(1,558)	(14)	(1,572)
Tax value of loss carry-forwards utilised	512	(44)	468
Other temporary differences	84	(1)	83
IFRS 16	14	-	14
	<u>(948)</u>	<u>(59)</u>	<u>(1,007)</u>



## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

Deferred tax movement during the prior year:

	At 1 January 2021 £ 000	Recognised in income £ 000	At 31 December 2021 £ 000
Property, plant and equipment	(1,058)	(500)	(1,558)
Tax value of loss carry-forwards utilised	389	123	512
Other temporary differences	64	20	84
IFRS 16	11	3	14
	<u>(594)</u>	<u>(354)</u>	<u>(948)</u>

#### 14 Other provisions

	Decommissioning provisions £ 000
At 1 January 2022	873
Reduction due to reassessment during the year	(248)
Discount unwind during the year	<u>(8)</u>
At 31 December 2022	<u>617</u>
	Decommissioning provisions £ 000
At 1 January 2021	859
Uplift due to reassessment during the year	2
Discount unwind during the year	<u>12</u>
At 31 December 2021	<u>873</u>

All provision balances at 31 December 2022 and 31 December 2021 are non-current.

#### Decommissioning provision

The provision for the decommissioning of the windfarms represents the net present value of the Company's best estimate of the costs to decommission the wind farm at the end of its useful life. The provision was re-estimated based on an Independent Decommissioning Study prepared by DNV Services in January 2023.

The closing provision has been discounted to its present value based on the yield on a UK gilt maturing at the end of wind farm's economic life.

Decommissioning assets are recognised to match the decommissioning liability, refer to Note 8. Unwinding of discount amount is recognised only in the decommissioning liability.

## Sisters Wind Farm Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 15 Share capital

##### Allotted, called up and fully paid shares

	31 December 2022		31 December 2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

##### Profit and loss account

*This reserve account records accumulated profits.*

	31 December 2022	31 December 2021
	£ 000	£ 000
At 1 January	1,252	1,719
Profit for the financial year	<u>(25)</u>	<u>(467)</u>
At 31 December	<u>1,227</u>	<u>1,252</u>

#### 16 Related party transactions

There were no transactions between the Company and Ventient Energy Limited during the periods from 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021. There are no other related parties to be disclosed.

#### 17 Ultimate parent company and ultimate controlling party

The immediate parent is Mobius Wind Holdings Limited which does not produce consolidated financial statements.

The head of the largest group for which consolidated financial statements are prepared and of which the Company is a member is Ventient Energy Sarl., a Luxembourg registered entity which has a registered address of 1 Boulevard De la Foire, L-1528 Luxembourg.

The ultimate parent company is IIF International Holding LP an entity 100% owned by institutional investors and so there is no ultimate controlling party. IIF International Holding LP is a Cayman Islands exempted limited partnership advised by JP Morgan Investment Management, a registered investment advisor regulated by the US Securities and Exchange Commission and which is a wholly owned subsidiary of JP Morgan Chase & Co.