

CWE MEIKLE FLOAT LIMITED

Annual Report and Financial Statements
for the Year Ended 31 December 2022

CWE Meikle Float Limited

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CWE Meikle Float Limited

Company Information

Directors	BJA Hutt TP French SJL Myers
Registered office	First Floor, River Court The Old Mill Office Park Mill Lane Godalming Surrey GU7 1EZ
Auditor	Azets Audit Services Chartered Accountants & Statutory Auditor Bulman House Regent Centre Gosforth Newcastle upon Tyne NE3 3LS

CWE Meikle Float Limited

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 is that of electricity generation from its wind turbine.

Directors of the company

The directors who held office during the year were as follows:

BJA Hutt

J Bird (resigned 8 September 2022)

TP French (appointed 16 November 2022)

The following director was appointed after the year end:

SJL Myers (appointed 20 March 2023)

Fair review of the business

The results of the company for the year show a pre-tax profit of £2,191 (2021 - pre-tax loss of £246,566 after the acceleration of loan arrangement fees and break costs of £195,168 due to the refinancing of the group bank facilities) and turnover of £299,035 (2021 - £258,720).

The company has 1 operating turbine.

Going concern

The financial statements have been prepared on a going concern basis.

The company meets its day to day working capital requirements through cash generated from operations and bank loan facilities. Further details are given in note 2.

The company and group's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact on the economy of the current high levels of inflation. In the directors' assessment they have considered the effectiveness of available measures to assist in mitigating any impact of the effect of cost increases and delays in repairs.

Consequently after making enquiries, the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to the auditor

Each of the directors has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

CWE Meikle Float Limited

Directors' Report for the Year Ended 31 December 2022 (continued)

Reappointment of auditor

The auditor Azets Audit Services will be deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies' provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved and authorised for issue by the Board on 20 July 2023 and signed on its behalf by:

.....

TP French

Director

CWE Meikle Float Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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). 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 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.

CWE Meikle Float Limited

Independent Auditor's Report to the Members of CWE Meikle Float Limited

Opinion

We have audited the financial statements of CWE Meikle Float Limited (the 'company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including 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 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 director's 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.

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 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.

CWE Meikle Float Limited

Independent Auditor's Report to the Members of CWE Meikle Float Limited (continued)

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 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 our 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 where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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.

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.

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:

- enquiries of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- reading any correspondence with regulators including the Health and Safety Executive;

CWE Meikle Float Limited

Independent Auditor's Report to the Members of CWE Meikle Float Limited (continued)

- reviewing board minutes;
- challenging assumptions and judgements made by management in their significant accounting estimates; and
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Due to the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health and Safety and compliance with the UK Companies Act and tax legislation. Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Christopher Potter BA (Hons) ACA (Senior Statutory Auditor)

For and on behalf of Azets Audit Services

Chartered Accountants

Statutory Auditor

Bulman House

Regent Centre

Gosforth

Newcastle upon Tyne

NE3 3LS

20 July 2023

Azets Audit Services is a trading name of Azets Audit Services Limited.

CWE Meikle Float Limited

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	299,035	258,720
Cost of sales		<u>(81,638)</u>	<u>(84,698)</u>
Gross profit		217,397	174,022
Administrative expenses		(176,663)	(173,334)
Exceptional administrative expenses	<u>4</u>	<u>-</u>	<u>(195,168)</u>
Operating profit/(loss)	<u>4</u>	40,734	(194,480)
Interest payable and similar expenses	<u>5</u>	<u>(38,543)</u>	<u>(52,086)</u>
Profit/(loss) before tax		2,191	(246,566)
Taxation	<u>8</u>	<u>(876)</u>	<u>59,126</u>
Profit/(loss) for the financial year		<u><u>1,315</u></u>	<u><u>(187,440)</u></u>

The above results were derived from continuing operations.

The notes on pages 12 to 25 form an integral part of these financial statements.

CWE Meikle Float Limited

Statement of Comprehensive Income for the Year Ended 31 December 2022

	2022 £	2021 £
Profit/(loss) for the year	1,315	(187,440)
Income tax effect on tangible fixed asset revaluation	-	(99,259)
Unrealised loss on cash flow hedges before tax	(105,031)	(166,108)
Income tax effect on cash flow hedges	26,258	41,527
	(78,773)	(223,840)
Total comprehensive income for the year	(77,458)	(411,280)

The notes on pages 12 to 25 form an integral part of these financial statements.

CWE Meikle Float Limited

(Registration number: 08644927)

Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>9</u>	1,800	1,950
Tangible assets	<u>10</u>	1,917,491	2,082,659
		<u>1,919,291</u>	<u>2,084,609</u>
Current assets			
Debtors	<u>11</u>	115,476	84,899
Cash at bank and in hand		<u>87,271</u>	<u>84,744</u>
		202,747	169,643
Creditors: Amounts falling due within one year	<u>12</u>	<u>(79,591)</u>	<u>(67,115)</u>
Net current assets		<u>123,156</u>	<u>102,528</u>
Total assets less current liabilities		2,042,447	2,187,137
Creditors: Amounts falling due after more than one year	<u>12</u>	<u>(1,922,148)</u>	<u>(1,936,125)</u>
Provisions for liabilities	<u>15</u>	<u>(294,419)</u>	<u>(319,801)</u>
Net liabilities		<u><u>(174,120)</u></u>	<u><u>(68,789)</u></u>
Capital and reserves			
Called up share capital	<u>16</u>	1	1
Other reserves	<u>17</u>	(203,354)	(124,581)
Profit and loss account	<u>17</u>	<u>29,233</u>	<u>55,791</u>
Shareholders' funds/(deficit)		<u><u>(174,120)</u></u>	<u><u>(68,789)</u></u>

Approved and authorised for issue by the Board on 20 July 2023 and signed on its behalf by:

.....
TP French
Director

The notes on pages 12 to 25 form an integral part of these financial statements.

CWE Meikle Float Limited

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

	Share capital	Revaluation reserve	Hedging reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2021	1	-	-	663,087	663,088
Loss for the year	-	-	-	(187,440)	(187,440)
Other comprehensive income	-	(99,259)	(124,581)	-	(223,840)
Total comprehensive income	-	(99,259)	(124,581)	(187,440)	(411,280)
Dividends	-	-	-	(320,597)	(320,597)
Transfers	-	99,259	-	(99,259)	-
At 31 December 2021	1	-	(124,581)	55,791	(68,789)

	Share capital	Revaluation reserve	Hedging reserve	Profit and loss account	Total
	£	£	£	£	£
At 1 January 2022	1	-	(124,581)	55,791	(68,789)
Profit for the year	-	-	-	1,315	1,315
Other comprehensive income	-	-	(78,773)	-	(78,773)
Total comprehensive income	-	-	(78,773)	1,315	(77,458)
Dividends	-	-	-	(27,873)	(27,873)
At 31 December 2022	1	-	(203,354)	29,233	(174,120)

The notes on pages 12 to 25 form an integral part of these financial statements.

CWE Meikle Float Limited

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

1 General information

The company is a private company limited by share capital, incorporated, registered and domiciled in England.

The address of its registered office is First Floor, River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey GU7 1EZ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the entity.

Name of parent of group

These financial statements are consolidated in the financial statements of Constantine Wind Energy Limited, the company's parent undertaking. The financial statements of Constantine Wind Energy Limited may be obtained from Companies House.

Summary of disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

The company has taken advantage of the exemption available under paragraph 33.1A of FRS 102 and does not disclose related party transactions with members of the same group that are wholly owned.

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Going concern

The company is part of a group headed by Constantine Wind Energy Limited.

The company has recorded a profit before tax of £2,191 in the year ended 31 December 2022 and has net current assets of £123,156 at the year end.

CWE B Limited, along with certain other subsidiaries of Constantine Wind Energy Limited including CWE Meikle Float Limited, are party to a group bank loan facility of £86.6m with Scottish Widows Limited which was agreed and drawn down in full by CWE B Limited as head of the banking facility group. This facility is secured by charges over the assets of this wider banking group in favour of Lloyds Bank plc, acting as security agent for Scottish Widows Limited. The loan is repayable in semi-annual payments to 31 March 2038 and is subject to a fixed interest rate of 2.12%, for the life of the loan.

The company meets its day to day working capital requirements through cash generated from operations and these bank loan facilities.

The financial statements have been prepared on a going concern basis.

The company and group's forecasts and projections for the next twelve months show that the company should be able to continue in operational existence for that period, taking into account reasonable possible changes in trading performance and the potential impact on the business of possible future scenarios arising from the impact on the economy of the current high levels of inflation. In the directors' assessment they have considered the effectiveness of available measures to assist in mitigating any impact of the effect of cost increases and delays in repairs.

Consequently after making enquiries, the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for at least twelve months from the date of signing the financial statements and therefore the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The directors do not consider there to be any judgements in the application of these accounting policies that have significant effect on the financial statements.

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Useful economic lives of tangible assets and licence rights - The directors have applied a useful economic life of 20 years to tangible fixed assets and 20 years to licence rights and consider this to be appropriate based upon their expected lives.

Estimation of fair value of plant and machinery - The directors have applied the revaluation model to plant and machinery and determined their fair value on the basis of discounted cash flow projections based upon reliable estimates of future cash flows (Level 3 fair value measurements).

Turnover

Turnover comprises the fair value of the consideration received or receivable in the ordinary course of the company's activities net of value added tax and discounts. Turnover is derived from the sale of electricity generated by the company and provided under fixed price supply contracts. Turnover is recognised as supplied into the distribution network.

Finance income and costs policy

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses except for plant and machinery which is measured at fair value less accumulated depreciation and accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Increases in the carrying amounts arising on revaluation of plant and machinery are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	5% straight line

Intangible assets

Intangible assets that are acquired by the company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation

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

Asset class	Amortisation method and rate
Licence rights	5% on cost straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs.

The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Trade and other debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade and other 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 the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Fixed payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease. Payments made under operating leases whose rental is based either entirely or partially upon turnover generated by a specific asset are recognised in the profit and loss account in the period in which the turnover is earned.

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Derivative financial instruments and hedging

Derivatives

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the profit and loss account. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in Other Comprehensive Income ("OCI"). Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in the profit and loss account the hedging gain or loss is reclassified to the profit and loss account.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised immediately in the profit and loss account.

3 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Sale of goods	298,308	258,720
Other revenue	727	-
	<u>299,035</u>	<u>258,720</u>

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4 Operating profit/(loss)

Arrived at after charging/(crediting)

	2022	2021
	£	£
Depreciation expense	165,168	165,168
Amortisation expense	150	150
Amortisation of loan arrangement fees	1,456	1,456
Foreign exchange losses/(gains)	1,029	(3)
Exceptional expenses	-	195,168

The exceptional administrative expenses comprise loan break costs and accelerated loan fee amortisation following the refinancing at the beginning of 2021.

5 Interest payable and similar expenses

	2022	2021
	£	£
Financing fee payable to group undertakings	-	12,971
Interest payable on loans from group undertakings	38,543	39,115
	38,543	52,086

6 Directors' remuneration, staff numbers and costs

The directors received no remuneration for their services to the company during the current or prior year and were the only employees of the company in the year.

	2022	2021
	No.	No.
Directors	2	2
	2	2

7 Auditor's remuneration

	2022	2021
	£	£
Audit of the financial statements	1,785	1,625

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Deferred taxation		
Arising from origination and reversal of timing differences	666	(46,586)
Arising from changes in tax rates and laws	210	(12,540)
Total deferred taxation	<u>876</u>	<u>(59,126)</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit/(loss) before tax	<u>2,191</u>	<u>(246,566)</u>
Corporation tax at standard rate	416	(46,848)
Effect of expense not deductible in determining taxable profit (tax loss)	250	262
UK deferred tax expense/(credit) relating to changes in tax rates or laws	210	(12,540)
Total tax charge/(credit)	<u>876</u>	<u>(59,126)</u>

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25% from 19%, as previously enacted. This new law was substantively enacted on 24 May 2021. The deferred tax balances at 31 December 2022 have been calculated based on these enacted tax rates.

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

	Liability £
2022	
Accelerated tax depreciation	(21,093)
Revaluation of property, plant and equipment	413,580
Tax losses carry-forwards	(30,283)
Revaluation of cash flow hedges	(67,785)
	<u>294,419</u>
	Liability £
2021	
Accelerated tax depreciation	4,129
Revaluation of property, plant and equipment	413,580
Tax losses carry-forwards	(56,381)
Revaluation of cash flow hedges	(41,527)
	<u>319,801</u>

Tax relating to items recognised in other comprehensive income or equity

	2022 £	2021 £
Deferred tax related to items recognised as items of other comprehensive income	<u>(26,258)</u>	<u>57,732</u>

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

9 Intangible assets

	Licence rights £
Cost or valuation	
At 1 January 2022	3,000
At 31 December 2022	3,000
Amortisation	
At 1 January 2022	1,050
Amortisation charge	150
At 31 December 2022	1,200
Carrying amount	
At 31 December 2022	1,800
At 31 December 2021	1,950

Licence rights represent amounts paid to secure electricity generation rights.

10 Tangible assets

	Plant and machinery £
Valuation	
At 1 January 2022	2,853,827
At 31 December 2022	2,853,827
Depreciation	
At 1 January 2022	771,168
Charge for the year	165,168
At 31 December 2022	936,336
Carrying amount	
At 31 December 2022	1,917,491
At 31 December 2021	2,082,659

There are charges over certain of the company's plant and machinery and leasehold interests in favour of Lloyds Bank plc acting as security agent for Scottish Widows Limited, a funding provider, for all amounts due to them.

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10 Tangible assets (continued)

Revaluation

On 7 December 2020 the company's plant and machinery was revalued to fair value on the basis of discounted cash flow projections based upon estimates of future cash flows.

The directors are satisfied that the carrying amount at the year end does not differ materially from the fair value of the plant and machinery.

Had this class of asset been measured on a historical cost basis, their carrying amount would have been £715,537 (2021 - £775,513).

11 Debtors

	2022 £	2021 £
Current		
Prepayments and accrued income	115,476	84,899

12 Creditors

	2022 £	2021 £
Due within one year		
Trade creditors	1,461	2,185
Amounts due to group undertakings	40,345	35,623
Social security and other taxes	6,684	4,219
Accrued expenses	31,101	25,088
	79,591	67,115
Due after one year		
Loans and borrowings	1,651,009	1,770,017
Other non-current financial liabilities	271,139	166,108
	1,922,148	1,936,125

13 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Amounts due to group undertakings	1,651,009	1,770,017

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

13 Loans and borrowings (continued)

Borrowings

At the start of 2021, a new group banking facility of £96.2m with Scottish Widows Limited was agreed and drawn down by CWE B Limited as head of the new banking facility group, which includes CWE Meikle Float Limited. This facility now stands at £86.6m at 31 December 2022. It is secured by charges over the assets of this wider banking group in favour of Scottish Widows Limited, is repayable in semi-annual payments to 31 March 2038 and is subject to a fixed interest rate of 2.12% for the life of the loan.

Offset against the bank loans is £17,469 (2021 - £18,925) in respect of loan arrangement fees not amortised.

The amount falling due after more than five years is £1,175,597 (2021 - £1,303,144).

14 Other financial liabilities

	2022 £	2021 £
Non-current financial liabilities		
Other non-current financial liabilities	271,139	166,108

Other financial liabilities comprise the entity's proportion of a back to back Treasury Service arrangement with CWE B Limited of an inflation rate swap in favour of CWE B Limited taken out as a condition of the group refinancing used to manage the inflation linked revenue received in its subsidiaries, which is designated as fair value through the hedging reserve. The fair value at the year end of £271,139 (2021 - £166,108) is based on a mid-market marked to market valuation. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

15 Provisions for liabilities

	Deferred tax £
At 1 January 2022	319,801
Increase (decrease) in existing provisions	(25,382)
At 31 December 2022	294,419

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

16 Share capital

Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary share of £1 each	1	1	1	1

17 Reserves

Cash flow hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments relating to hedged transactions that have not yet occurred.

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Other reserves £	Total £
Unrealised loss on cash flow hedges before tax	(105,031)	(105,031)
Income tax effect on cash flow hedges	26,258	26,258
	<u>(78,773)</u>	<u>(78,773)</u>

18 Obligations under leases and hire purchase contracts

Operating leases

	2022 £	2021 £
Not later than one year	<u>8,072</u>	<u>7,085</u>

Operating leases whose rental payments are based either entirely or partially upon turnover generated by a specific asset are recognised in the profit and loss account in the period in which the turnover is earned.

The amount of non-cancellable operating lease payments recognised as an expense during the year was £48,842 (2021 - £43,025).

CWE Meikle Float Limited

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

19 Dividends

	2022 £	2021 £
Final dividend of £27,872.52 (2021 - £320,597.00) per ordinary share	<u>27,873</u>	<u>320,597</u>

20 Related party transactions

During the year CWE Meikle Float Limited recognised £4,267 (2021 - £4,000) management charges from Constantine Wind Energy Limited in the profit and loss account.

CWE Meikle Float Limited had a net creditor of £1,691,354 (2021 - £1,805,640) due to CWE B Limited at the year end. This amount represents funding received from Scottish Widows Limited by CWE B Limited and is subject to interest at a fixed rate of 2.12%

CWE Meikle Float Limited also has a Treasury Services agreement with CWE B Limited for an inflation rate swap and a non-current financial liability of £271,139 (2021 - £166,108) has been recognised at the year end in respect of this agreement.

21 Parent and ultimate parent undertaking

The company's immediate parent is CWE WH Limited, a company incorporated in England. CWE WH Limited is 80% owned by CWE B Limited and 20% owned by Constantine Wind Energy Limited.

The most senior parent entity producing publicly available financial statements is Constantine Wind Energy Limited. These financial statements are available upon request from Companies House.

The ultimate controlling party is Constantine Group Limited and Jemm Capital Limited, in so much as they act in concert.

The parent of the largest group in which these financial statements are consolidated is Constantine Wind Energy Limited, incorporated in England.

The address of Constantine Wind Energy Limited is First Floor, River Court, The Old Mill Office Park, Mill Lane, Godalming, Surrey GU7 1EZ.

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.