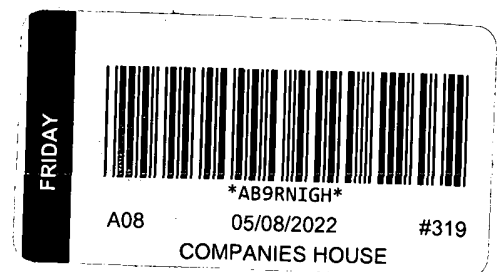


Registration number: 09507308

Blary Hill Energy Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2021



Blary Hill Energy Limited

Contents

	Page(s)
Company Information	1
Strategic Report	2 to 3
Directors' Report	4 to 5
Directors' Responsibilities Statement	6
Independent Auditor's Report	7 to 10
Profit and Loss Account	11
Statement of Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 to 26

Blary Hill Energy Limited

Company Information

Directors	Mr Jeremy Bass Mr Milan Dave Mr Stuart Lunn
Company secretary	Mr Dominic Hearth
Registered office	Beaufort Court Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
Bankers	Lloyds Bank PO Box 72 Bailey Drive Gillingham Business Park Gillingham Kent ME8 0LS
Auditor	Deloitte LLP Statutory Auditor London, United Kingdom

Blary Hill Energy Limited

Strategic Report for the Year Ended 31 October 2021

The directors present their strategic report for the year ended 31 October 2021.

Principal activity

The principal activity of the company is the construction of a wind farm asset which will generate electricity to be sold in the future.

Review of business

Construction has continued on plan and with no significant issue through out the year. Formal Taking Over of the site took place on 7 February 2022 and the wind farm is now fully operational.

The Company made a loss for the year ended 31 October 2021 of £323,000 (7 month period ended 31 October 2020: £196,000). The assets and liabilities and financial position of the Company at the end of the financial year are set out on page 13.

Given there are no employees and the very limited trading of the Company, the Directors do not monitor a wide range of non-financial KPIs. The main KPI that is reviewed is construction progress against the project plan. At 31 October 2021, construction was 86% complete (2020: 18% complete).

Financial KPIs including cashflow and expenses are monitored against the budget. The cash balance at 31 October 2021 is £3,012k. This is a decrease compared to the prior year end due to construction payments being paid out of opening cash balances as well as new cash flows from share issuances and loan drawdowns. The construction of the wind farm was completed in line with budget.

Dividends

No interim dividends were paid during the year (period ended 31 October 2020: £nil). The directors do not recommend the payment of a final dividend (31 October 2020: £nil).

Principal risks and uncertainties

Principal risks relate to site health and safety, construction programme management and site availability. These risks are mitigated by robust health and safety principles backed by rigorous processes and maintained by periodic audits.

Financial risk management

Details regarding managements approach to financial risk management can be found in note 2.

Post balance sheet events

On 28 February 2022, the Company converted £12,161,000 of the loan from related parties to 10,000 £1 ordinary shares each at a premium of £1,215.10.

On 21 June 2022, an interim dividend of £3,000,000 was declared.

Impact of COVID-19

Since the start of 2020 there has been an outbreak of COVID-19 (coronavirus) which has led to uncertainty in the market. The directors of Blary Hill Energy Limited continue to follow advice given by the World Health Organisation and Health Protection Scotland to ensure that best practice measures are followed. To date there has not been a material impact on the Company's operations. The directors do not believe that there is a significant risk to the business as a result of the COVID-19 pandemic but will continue to monitor any future developments.

Climate change

Blary Hill Energy Limited

Strategic Report for the Year Ended 31 October 2021 (continued)

The directors of Blary Hill Energy Limited are deeply aware of the implications of climate change, from evolving policies to new low-carbon technologies and enhanced physical risks. The Renewables Infrastructure Group Limited (the ultimate parent company) continue to model climate scenarios to review potential business impacts however, as climate change continues to evolve, it is very difficult to make predictions of the impact on the business with any great certainty.

Approved by the Board on 28 July 2022 and signed on its behalf by:

DocuSigned by:
Milan Dave
.....785223B95B6842P.....
Mr Milan Dave
Director

Blary Hill Energy Limited

Directors' Report for the Year Ended 31 October 2021

The directors present their report and the financial statements for the year ended 31 October 2021.

The requirements for Financial Risk Management and Dividends are disclosed in the Strategic Report.

Directors of the Company

The directors who held office during the year, and up to the date of signing this report unless otherwise stated, were as follows:

Mr Milan Dave

Mrs Stephanie Exell (appointed 28 January 2021 and resigned 16 March 2022)

Mrs Jennifer Gascoigne (appointed 28 January 2021 and resigned 2 March 2022)

Mr Fraser Merry (resigned 16 March 2022)

Mr Peter Staurt (resigned 28 January 2021)

Mr Mark Wayment (resigned 28 January 2021)

The following directors were appointed after the year end:

Mr Jeremy Bass (appointed 16 March 2022)

Mr Stuart Lunn (appointed 16 March 2022)

Mr Alisdair Campbell (appointed 25 January 2022 and resigned 16 March 2022)

Directors' indemnities

The Company has made no qualifying third party indemnity provisions for the benefit of its directors.

Company Secretary

Mr Dominic Hearth served as the company secretary throughout the current and prior year.

Blary Hill Energy Limited

Directors' Report for the Year Ended 31 October 2021 (continued)

Going concern

The financial position of the Company is set out in the Balance Sheet, the Statement of Cash Flows and the accompanying notes to the financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the company's cash flow for the period of 12 months from the approval date of these financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

COVID-19 has caused, and will continue to cause widespread economic disruption. However, its impact should be temporary. The construction of the wind farm was not significantly adversely impacted by COVID-19 and it is not expected that the ongoing operation of the wind farm will be significantly impacted by COVID-19. Given the use of group funding to fund the underlying operations, the directors do not foresee any going concern issues.

Future developments

The outbreak of COVID-19 is a very significant humanitarian and economic event facing many businesses. The pandemic has resulted in a significant economic slowdown however the impact of this has been minimal on the company.

In addition, the Russia-Ukraine conflict is a humanitarian crisis on a scale not seen in Europe since WWII. As sanctions continue to be imposed against Russia, the economic ramifications of increases to energy prices, fluctuations in foreign exchange rates and interest rate rises could be felt globally. The directors have considered the risks to supply chains and revenue streams however it is very difficult to make forward looking statements or predictions with any great certainty.

In the meantime, we have stress tested our business model to understand what the impact would be, as discussed in the Going Concern statements in this annual report.

Disclosure of information to the auditor

Each director 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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditors

Deloitte LLP were appointed as auditor during the year and have indicated their willingness to be reappointed for another term. Appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board on 28 July 2022 and signed on its behalf by:

DocuSigned by:
Milan Dave
.....76522389586842F.....
Mr Milan Dave
Director

Blary Hill Energy Limited

Directors' Responsibilities Statement

The Directors are responsible 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), including FRS 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 and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Blary Hill Energy Limited

Independent Auditor's Report to the Members of Blary Hill Energy Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Blary Hill Energy Limited ('the company'):

- give a true and fair view of the state of the company's affairs as at 31 October 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 17.

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).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period 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.

Blary Hill Energy Limited

Independent Auditor's Report to the Members of Blary Hill Energy Limited (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

Blary Hill Energy Limited

Independent Auditor's Report to the Members of Blary Hill Energy Limited (continued)

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence, environmental regulations and health and safety regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Blary Hill Energy Limited

**Independent Auditor's Report to the Members of Blary Hill Energy Limited
(continued)**

Use of our report

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

Marianne Milnes

.....
Marianne Milnes (FCA) (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

London, United Kingdom

28 July 2022

Blary Hill Energy Limited**Profit and Loss Account for the Year Ended 31 October 2021**

		31 October 2021 £ 000	7 month period to 31 October 2020 £ 000
	Note		
Revenue		-	-
Cost of sales		<u>(331)</u>	<u>(173)</u>
Gross loss		(331)	(173)
Administrative expenses	4	<u>(51)</u>	<u>(66)</u>
Operating loss	3	<u>(382)</u>	<u>(239)</u>
Loss before tax		(382)	(239)
Taxation	7	<u>59</u>	<u>43</u>
Loss for the financial year		<u><u>(323)</u></u>	<u><u>(196)</u></u>

All transactions are derived from continuing operations.

The notes on pages 16 to 26 form an integral part of these financial statements.

Blary Hill Energy Limited

Statement of Comprehensive Income for the Year Ended 31 October 2021

		Year ended 31 October 2021	1 April 2020 to 31 October 2020
	Note	£ 000	£ 000
Loss for the year		<u>(323)</u>	<u>(196)</u>
Total comprehensive income for the year		<u><u>(323)</u></u>	<u><u>(196)</u></u>

Blary Hill Energy Limited
(Registration number: 09507308)
Balance Sheet as at 31 October 2021

	Note	31 October 2021 £ 000	31 October 2020 £ 000
Fixed assets			
Tangible assets	8	47,522	14,773
Deferred tax	9	102	43
		<u>47,624</u>	<u>14,816</u>
Current assets			
Debtors	9	1,326	1,215
Cash at bank and in hand		<u>3,012</u>	<u>12,237</u>
		4,338	13,452
Creditors: Amounts falling due within one year	10	<u>(41,487)</u>	<u>(28,470)</u>
Net current liabilities		<u>(37,149)</u>	<u>(15,018)</u>
Net assets/(liabilities)		<u>10,475</u>	<u>(202)</u>
Capital and reserves			
Called up share capital	11	11,000	-
Profit and loss account	12	<u>(525)</u>	<u>(202)</u>
Total equity		<u>10,475</u>	<u>(202)</u>

Registered Number 09507308

Approved and authorised by the Board on 28 July 2022 and signed on its behalf by:

DocuSigned by:

 76522389586842F.....
 Mr Milan Dave
 Director

Blary Hill Energy Limited**Statement of Changes in Equity for the Year Ended 31 October 2021**

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 November 2020	-	(202)	(202)
Loss for the year	-	(323)	(323)
Total comprehensive expense	-	(323)	(323)
New share capital subscribed	11,000	-	11,000
At 31 October 2021	11,000	(525)	10,475

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 April 2020	-	(6)	(6)
Loss for the year	-	(196)	(196)
Total comprehensive income	-	(196)	(196)
At 31 October 2020	-	(202)	(202)

The notes on pages 16 to 26 form an integral part of these financial statements.

Blary Hill Energy Limited**Statement of Cash Flows for the Year Ended 31 October 2021**

	Note	Year ended 31 October 2021 £ 000	1 April 2020 to 31 October 2020 £ 000
Cash flows from operating activities			
Loss for the year		(323)	(196)
Adjustments to cash flows from non-cash items			
Income tax expense	7	(59)	(43)
		(382)	(239)
Working capital adjustments			
Increase in debtors	9	(111)	(1,215)
Decrease in creditors	10	(181)	(247)
Net cash flow from operating activities		(674)	(1,701)
Cash flows from investing activities			
Acquisitions of tangible assets		(30,551)	(11,327)
Cash flows from financing activities			
Proceeds from issue of ordinary shares, net of issue costs		11,000	-
Proceeds from other borrowing draw downs		11,000	27,550
Repayment of other borrowing		-	(2,300)
Net cash flows from financing activities		22,000	25,250
Net (decrease)/increase in cash and cash equivalents		(9,225)	12,222
Cash and cash equivalents at 1 November		12,237	15
Cash and cash equivalents at 31 October/31 March		3,012	12,237

Cash and cash equivalents represent cash at bank and in hand.

Net debt reconciliation

	At 1 November 2020 £ 000	Cash flow £ 000	Other non cash changes £ 000	At 31 October 2021 £ 000
Cash and cash equivalents				
Cash at bank and in hand	12,237	(9,225)	-	3,012
	12,237	(9,225)	-	3,012
Borrowings				
Loan due to related party	(28,280)	(11,000)	(2,199)	(41,479)
Total	(16,043)	(20,225)	(2,199)	(38,467)

The notes on pages 16 to 26 form an integral part of these financial statements.

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021

1 General information

The Company is a private company limited by share capital incorporated in United Kingdom under the Companies Act 2006 and registered in England and Wales. The particular accounting policies adopted by the directors are described below. The registered office is Beaufort Court Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR.

2 Accounting policies

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.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £000 unless otherwise stated.

Finance income and costs policy

Interest received and paid is recognised on a time apportioned basis.

Tangible assets

Tangible assets is stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation. Interest costs associated with constructing the asset are capitalised,

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 detailed in the table below. Depreciation is not charged on Wind Farm assets until construction is complete and the wind farm is operational.

Asset class	Depreciation method and rate
Wind Farm under construction	0%

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Tax

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

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

2 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade 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 creditors

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

Obligations to pay for goods or services that have not been invoiced by the supplier but where the good or services has been delivered prior to the balance sheet date, are accrued,

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.

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

2 Accounting policies (continued)

Financial instruments

Classification

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

The Company has chosen to adopt the recognition and measurement provisions of Sections 11 and 12 of FRS 102 for financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Going concern

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

The Renewables Infrastructure Group (UK) Limited ("the Group"), the Company's intermediate parent, has confirmed to the directors that it will not demand repayment for existing intercompany loans such that insolvency would result, and the Group will provide support as the Company's liabilities fall due, for a period of at least twelve months from the date of signing of the Annual Report and Financial Statements.

The directors have considered the Company's cash flow forecast for the period to the end of July 2023 and are satisfied that the Company, taking account of reasonably possible changes of the Company's and the wider Group's trading performance and the current funds available, is able to operate for at least twelve months from the signing of the Directors' Report and Financial Statements. For this reason the directors believe that the Company has adequate resources to continue in operational existence and therefore it is appropriate that the company continues to adopt the going concern basis in preparing the Directors' Report and Financial Statements.

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

2 Accounting policies (continued)

Financial risk management

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Company does not have significant exposure in this respect.

Regulatory risk

Regulatory risk is the risk that a change in regulations and law that might affect an industry or a business. Renewable energy projects are dependent for their commercial viability on a suitable regulatory regime. There is a risk that governments introduce retrospective changes to the regime that is agreed at the time the project commenced. This however is unusual in the market and changes to the regulatory regime are more typically for future projects.

Capital risk management

Capital held by the Company and managed centrally as part of the The Renewables Infrastructure Group (UK) Limited comprises share capital and reserves which can be found in the Balance Sheet on page 13.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's policy to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds.

Summary of significant accounting judgements and key accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

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

The most critical accounting judgements and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Critical judgements in applying accounting policies

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

Key sources of estimation uncertainty

No material estimations were required in presenting the annual report or financial statements.

3 Operating loss

Arrived at after charging/(crediting)

	Year ended 31 October 2021 £ 000	1 April 2020 to 31 October 2020 £ 000
Operating lease expense - property	<u>318</u>	<u>158</u>

4 Auditor's remuneration

	Year ended 31 October 2021 £ 000	1 April 2020 to 31 October 2020 £ 000
Audit of the financial statements	<u>7</u>	<u>6</u>

5 Directors' remuneration

No director received any form of remuneration in lieu of their services to the Company in the current period or prior year.

6 Staff costs

The company had no employees in the current period nor previous financial year.

7 Taxation

Tax credited in the profit and loss account

	Year ended 31 October 2021 £ 000	1 April 2020 to 31 October 2020 £ 000
Deferred taxation		
Arising from origination and reversal of timing differences	(59)	(42)
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	<u>-</u>	<u>(1)</u>
Total deferred taxation	<u>(59)</u>	<u>(43)</u>
Tax (credit)/charge in the profit and loss account	<u>(59)</u>	<u>(43)</u>

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

7 Taxation (continued)

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2020: lower than the standard rate of corporation tax in the UK) of 19% (2020:19%).

The differences are reconciled below:

	Year ended 31 October 2021 £ 000	1 April 2020 to 31 October 2020 £ 000
Loss before tax	<u>(382)</u>	<u>(239)</u>
Corporation tax at standard rate	(73)	(45)
Expenses not deductible for tax purposes	-	3
Tax rate changes	(25)	-
Increase (decrease) from tax losses for which no deferred tax asset was recognised	39	-
Adjustments to tax charge in respect of prior periods	<u>-</u>	<u>(1)</u>
Total tax (credit)/charge	<u>(59)</u>	<u>(43)</u>

At the balance sheet date, the UK rate of corporation tax is 19%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023, the main rate of corporation tax would increase from 19% to 25%. As this 25% rate was substantively enacted by the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

7 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

	Asset £ 000
2021	
Short-term timing differences	<u>102</u>
2020	Asset £ 000
Short-term timing differences	<u>43</u>

8 Tangible assets

	Wind Farm Under Construction £ 000
Cost or valuation	
At 1 November 2020	14,773
Additions	<u>32,749</u>
At 31 October 2021	<u>47,522</u>
Carrying amount	
At 31 October 2021	<u>47,522</u>
At 31 October 2020	<u>14,773</u>

Included within the tangible assets balance above is £2,929,000 of capitalised interest costs (2020: £730,000).

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

9 Debtors

	31 October 2021 £ 000	31 October 2020 £ 000
Other debtors	280	163
Prepayments	<u>1,046</u>	<u>1,052</u>
Total current trade and other debtors	<u><u>1,326</u></u>	<u><u>1,215</u></u>

Details of non-current trade and other debtors

£102,000 (2020: £43,000) of Deferred tax asset is classified as non current.

10 Creditors

	Note	31 October 2021 £ 000	31 October 2020 £ 000
Due within one year			
Trade creditors		1	-
Amounts due to related parties	15	41,479	28,280
Accrued expenses		<u>7</u>	<u>190</u>
		<u><u>41,487</u></u>	<u><u>28,470</u></u>
New Disclosure			

11 Share capital

The company has one class of ordinary shares which carry no rights to fixed income.

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary share capital of £1 each	<u>11,000,001</u>	<u>11,000,001</u>	<u>1</u>	<u>1</u>

New shares allotted

During the year 11,000,000 Ordinary share capital having an aggregate nominal value of £11,000,000 were allotted for an aggregate consideration of £11,000,000.

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

12 Reserves

The company's reserves are as follows:

The profit and loss reserve represents the cumulative profit or losses, net of dividends and other adjustments.

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

13 Obligations under leases and hire purchase contracts

Operating leases

The company has entered into lease agreements with the landowners on which its wind farm is situated to pay rent based on fixed amounts and amounts linked to turnover and production. Future minimum rentals payable under non-cancellable operating leases are as follows:

	2021 £ 000	2020 £ 000
Not later than one year	318	309
Later than one year and not later than five years	1,245	1,208
Later than five years	<u>10,980</u>	<u>10,962</u>
	<u>12,543</u>	<u>12,479</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £318,000 (2020 - £158,000).

14 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £1,566,000 (2020 - £27,999,000).

Blary Hill Energy Limited

Notes to the Financial Statements for the Year Ended 31 October 2021 (continued)

15 Related party transactions

Loans with related parties

2021	Parent £ 000
At 1 November 2020	(28,280)
Advanced	(11,000)
Interest transactions	(2,199)
At 31 October 2021	<u>(41,479)</u>

Terms of loans with related parties

Intercompany borrowings consist of unsecured loan notes denominated in GBP and bearing interest at a fixed rate of 5% and a variable rate of 1.71% per annum. The loan notes are repayable on demand.

16 Parent and ultimate parent undertaking

The Company's immediate parent is European Wind Investment Group 2 Limited, incorporated in Great Britain. The registered address is Level 7 One Bartholomew Close, Barts Square, London, United Kingdom, EC1A 7BL.

The ultimate parent is The Renewables Infrastructure Group Limited, incorporated in Guernsey. The registered address is East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey.

These financial statements are available upon request from Companies House.

The ultimate controlling party is The Renewables Infrastructure Group Limited, and is owned by a number of investors with no one investor having individual control. No group accounts are drawn up for any group of which the company is a member.

17 Non adjusting events after the financial period

On 28 February 2022, the Company converted £12,161,000 of the loan from related parties to 10,000 £1 ordinary shares each at a premium of £1,215.10.

On 21 June 2022, an interim dividend of £3,000,000 was declared.