

## Wind Energy Holdings Limited

Directors' Report and Financial Statements

Year Ended

30 June 2022

Company Number 09706096



# Wind Energy Holdings Limited

## Company Information

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<b>Directors</b>	L J B Roberts N A Wood
<b>Registered number</b>	09706096
<b>Registered office</b>	C/O Bluefield Services 3 Temple Quay Temple Back East Redcliffe, Bristol BS1 6DZ
<b>Independent auditor</b>	KPMG Channel Islands Limited Gategny Court Gategny Esplanade St Peter Port Guernsey GY1 1WR
<b>Bankers</b>	Royal Bank of Scotland 49 Bishopsgate London EC2N 3AS

# Wind Energy Holdings Limited

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# Wind Energy Holdings Limited

## Directors' Report For the Year Ended 30 June 2022

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The directors present their report together with the audited financial statements of Wind Energy Holdings Limited (the "Company") for the year ended 30 June 2022. The comparative information is for the period from 1 January 2020 to 30 June 2021 and thus not entirely comparable.

### Principal activity

The principal activity of the Company is a holding company of a trading group which are in the business of the operation of wind turbine plants in the UK and earning revenue from the sale of electricity generated.

### Country of incorporation and legal form of the entity

Wind Energy Holdings Limited was incorporated as a private company, limited by shares, under the Registrar of Companies for England and Wales on 28 July 2015.

### Risk management and control

In the ordinary course of business, the Company is exposed to and manages a variety of risks in relation to its activities, including financial risk. The management of credit, interest rate, liquidity and operational risks are fundamental to the Company, with the Board of Directors having responsibility for the overall system of internal control and for reviewing its effectiveness.

The key areas of risk in relation to the use of financial statements are listed below and are properly addressed by the management of the Company:

**Portfolio operation risk:** The directors consider that the principal risks impacting the Company relate to portfolio operation, management and reporting. The risks associated with the underperformance of the portfolio are mitigated through the asset management activities of Bluefield Services Limited who send weekly, monthly and annual reports highlighting the operational status of the portfolio as well as engaging with contractors to ensure technical issues are resolved promptly. Reporting risks, which principally cover possible valuation discrepancies (details of which are outlined in note 9), are mitigated through work performed by the Company's Investment Advisers who are an active participant within the UK wind market.

**Credit risk:** Losses due to the inability or unwillingness of a customer to meet its obligations. This is mitigated by the Company entering into price agreements with creditworthy counterparties for the purchase of electricity to be generated by the wind turbine plant.

**Interest risk:** Fluctuations in the prevailing levels of market rates of interest pose a risk to the Company's financial position and cash flows. This is not considered a significant risk to the Company as the interest on loans is charged at rates agreed by the parent company and are not subject to interest movements in the market.

**Liquidity risk:** Failure to meet financial obligations in a timely and cost effective manner due to mismatches in the maturity profile of assets and liabilities. The Company closely monitors its cash flow levels and financial obligations to anticipate its future cash commitments.

**COVID-19 risk:** During the year there has been limited impact on the business and its activities. The directors have continued to review the forecasts to ensure a true and fair reflection of the impact, if any, of COVID-19.

**Russia/Ukraine conflict risk:** The directors are continuously monitoring the impact, if any, of the ongoing conflict in Ukraine may have on the entity and the impact on energy prices across the portfolio. The Company and its subsidiaries have no direct exposure to either Ukraine or Russia.

### Results and dividends

The profit for the year, after taxation, amounted to £1,500,181 (period ended 30 June 2021 - profit of £37,443).

No dividends were distributed in the current or prior year.

# Wind Energy Holdings Limited

## Directors' Report (continued) For the Year Ended 30 June 2022

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### Directors

The directors who served during the year and up to the date of signing the financial statements were:

L J B Roberts (appointed 29 July 2021)  
N A Wood (appointed 29 July 2021)  
B V Corcoran (resigned 29 July 2021)  
I D Greer (resigned 29 July 2021)

### Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were in force throughout the year and at the date of this report.

### Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

# Wind Energy Holdings Limited

## Directors' Report (continued) For the Year Ended 30 June 2022

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### Subsequent events

There have been no significant events affecting the Company since the year end.

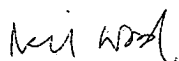
### Independent auditor

The auditor, KPMG Channel Islands Limited, has indicated its willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this Directors' Report advantage has been taken of the small companies' exemption. The Company is exempt from preparing a Strategic Report.

This report was approved by the board on 30 October 2023 and signed on its behalf.



**N A Wood**  
Director

# Independent Auditor's Report to the Member of Wind Energy Holdings Limited

## *Our opinion*

We have audited the financial statements of Wind Energy Holdings Limited (the "Company"), which comprise the statement of financial position as at 30 June 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

*In our opinion, the accompanying financial statements:*

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the Company's profit for the year then ended;
- are properly prepared in accordance with United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## *Going concern*

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## *Fraud and breaches of laws and regulations – ability to detect*

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

# Independent Auditor's Report to the Member of Wind Energy Holdings Limited (continued)

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates such as valuation of unquoted investments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- assessing significant accounting estimates for bias.

## *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of litigation or impacts on the Company's ability to operate. We identified company law as being the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.



# Independent Auditor's Report to the Member of Wind Energy Holdings Limited (continued)

## *The directors' report*

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

## *Matters on which we are required to report by exception*

Under the Companies Act 2006, we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

## *Respective responsibilities*

### *Directors' responsibilities*

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities*

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

# Independent Auditor's Report to the Member of Wind Energy Holdings Limited (continued)

## *The purpose of our audit work and to whom we owe our responsibilities*

This report is made solely to the Company's member, 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 member 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 its member, as a body, for our audit work, for this report, or for the opinions we have formed.



**Barry Ryan (Senior Statutory Auditor)**

**For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)**

*Chartered Accountants*

Guernsey

31 October 2023

# Wind Energy Holdings Limited

## Statement of Comprehensive Income For the Year Ended 30 June 2022

		Year ended 30 June 2022 £	As restated 18 months ended 30 June 2021 £
	Note		
Administrative expenses		(10,366)	(11,202)
Other operating income	4	7,306	-
Net gains on financial assets held at fair value through profit or loss	10	1,681,328	260,314
<b>Operating profit</b>	5	<b>1,678,268</b>	249,112
Interest expense and similar expenses	7	(178,087)	(211,669)
<b>Profit before tax</b>		<b>1,500,181</b>	37,443
Tax charge for the year/period	8	-	-
<b>Total comprehensive income and profit for the year/period</b>		<b>1,500,181</b>	37,443

All amounts relate to continuing activities of the Company.

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

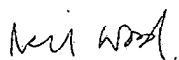
# Wind Energy Holdings Limited

Registered number: 09706096

## Statement of Financial Position As at 30 June 2022

	Note	2022 £	As restated 2021 £
<b>Fixed assets</b>			
Financial assets held at fair value through profit or loss	9	4,439,138	3,492,344
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	1,049	-
Cash and cash equivalents	13	3,007	835
		<u>4,056</u>	<u>835</u>
Creditors: amounts falling due within one year	14	(9,853)	(2,762,198)
<b>Net current liabilities</b>		<u>(5,797)</u>	<u>(2,761,363)</u>
Creditors: amounts falling due after more than one year	15	(2,202,179)	-
<b>Net assets</b>		<u>2,231,162</u>	<u>730,981</u>
<b>Capital and reserves</b>			
Called up share capital	17	66	66
Profit and loss account		2,231,096	730,915
<b>Total equity</b>		<u>2,231,162</u>	<u>730,981</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 October 2023



**N A Wood**  
Director

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

# Wind Energy Holdings Limited

## Statement of Changes in Equity For the Year Ended 30 June 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2021 (as previously stated)	66	(695,564)	(695,498)
Prior year adjustment - change in accounting policy	-	1,426,479	1,426,479
At 1 July 2021 (as restated)	66	730,915	730,981
Total comprehensive income and profit for the year	-	1,500,181	1,500,181
<b>At 30 June 2022</b>	<b>66</b>	<b>2,231,096</b>	<b>2,231,162</b>

## Statement of Changes in Equity For the Year Ended 30 June 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020 (as previously stated)	66	(684,362)	(684,296)
Prior year adjustment - change in accounting policy	-	1,377,834	1,377,834
At 1 January 2020 (as restated)	66	693,472	693,538
Total comprehensive income and profit for the period	-	37,443	37,443
<b>At 30 June 2021</b>	<b>66</b>	<b>730,915</b>	<b>730,981</b>

The following describes the nature and purpose of each reserve within equity:

Called up share capital - nominal value of share capital subscribed for.

Profit and loss account - cumulative profit or losses, net of dividends paid and other adjustments.

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

# Wind Energy Holdings Limited

## Statement of Cash Flows For the Year Ended 30 June 2022

	Year ended 2022 £	18 months ended 2021 £
<b>Cash flows from operating activities</b>		
Profit for the financial year/period	1,500,181	37,443
<b>Adjustments for:</b>		
Interest expense and similar expenses	178,087	211,669
Increase in debtors	(1,049)	-
Increase in creditors	2,804	3,722
Increase in amounts owed to group undertakings	3,477	7,561
Net fair value gains recognised in profit or loss	(1,681,328)	(260,314)
<b>Net cash generated from operating activities</b>	<b>2,172</b>	<b>81</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,172</b>	<b>81</b>
Cash and cash equivalents at beginning of year/period	835	754
<b>Cash and cash equivalents at the end of year/period</b>	<b>3,007</b>	<b>835</b>
<b>Cash and cash equivalents at the end of year/period comprise:</b>		
Cash at bank and in hand	3,007	835
	<b>3,007</b>	<b>835</b>

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

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 1. General information

Wind Energy Holdings Limited (the "Company") is a private company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activity is a holding company of a trading group which are in the business of the operation of wind turbine plants in the UK and earning revenue from the sale of electricity generated.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The Company's presentational and functional currency is GBP.

The comparative information is for the 18 months from 1 January 2020 to 30 June 2021 and thus not entirely comparable.

#### 2.2 Going concern

These accounts have been prepared on a going concern basis although the Company is in a net current liability position. The directors believe this basis is appropriate following the consideration of cashflow forecasts which show the Company is able to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

The directors have considered the impact which the current economic downturn, triggered by COVID-19, could have on the ability of the Company to continue as a going concern. In their view, the Company will not be impacted directly and is dependent on its Special Purpose Vehicles ("SPVs") continued operations. The impact of COVID-19 has therefore been considered at the SPV level. The demand for electricity generation and the ability of the SPV to generate electricity will not be materially impacted. The Company's revenues are ultimately derived from the sale of electricity via power purchase agreements and government subsidies. As such, the directors do not expect a significant impact on revenue and cash flows of the SPVs. The SPVs have in place risk mitigation plans in order to ensure, as far as possible, electricity generation from the plant is maintained. The SPVs key service providers have all successfully implemented remote working policies with contractors providing onsite operational technical support are treated as key workers with unfettered access to the sites in order to carry out necessary works if required. Hence the directors do not consider the impact of COVID-19 to have a material impact on the Company's ability to continue as a going concern.

The directors have considered the impact which the current conflict in Ukraine could have on the Company. In their view, as the Company and its subsidiaries have no direct exposure to Ukraine or Russia, the directors do not expect a significant impact on revenue and cash flows of the Company.

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2. Accounting policies (continued)

#### 2.2 Going concern (continued)

Should any unforeseen circumstances require additional funding, the Company has obtained written confirmation from its intermediate parent that it would provide financial support to meet the Company's liabilities for a period of at least twelve months from the date the financial statements are approved.

#### 2.3 Accounting for subsidiaries

Following the change of ownership and the incorporation of the Company into the group headed by Bluefield Solar Income Fund Limited, the ultimate parent company, the directors have considered the position of the Company and are of the opinion that the Company is an investment entity as determined by accounting standards. As such, the Company should exclude all subsidiaries from consolidation on the grounds set out in FRS 102 paragraph 9.9(b) and the investments held as part of an investment portfolio should be measured at fair value recognised in profit or loss.

This change in accounting policy is required to be accounted for retrospectively and the relevant comparative figures have been restated.

The change resulted in investments being held at fair value as at 30 June 2021 at £3,492,344, balances due to and from SPVs being derecognised and the loss for the year and the profit and loss account brought forward being understated by £48,645 and £1,426,479 respectively. The impact on each financial statement line is shown below.

	As reported 30 June 2021 £	Adjustments £	As restated 30 June 2021 £
<b>Statement of Comprehensive Income</b>			
Administrative expenses	(11,202)	-	(11,202)
Net gains on financial assets held at fair value through profit or loss	-	260,314	260,314
Operating profit	(11,202)	260,314	249,112
Interest income and similar income	211,669	(211,669)	-
Interest expense and similar expenses	(211,669)	-	(211,669)
Profit/(loss) before tax	(11,202)	48,645	37,443
Tax on profit	-	-	-
Profit/(loss) on ordinary activities after taxation	(11,202)	48,645	37,443



# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2. Accounting policies (continued)

#### 2.3 Accounting for subsidiaries (continued)

	As reported 30 June 2021 £	Adjustments £	As restated 30 June 2021 £
<b>Statement of Financial Position</b>			
<b>Fixed assets</b>			
Investments	150,004	(150,004)	-
Financial assets held at fair value through profit or loss	-	3,492,344	3,492,344
	150,004	3,342,340	3,492,344
<b>Current assets</b>			
Debtors: amounts falling due within one year	1,950,104	(1,950,104)	-
Cash and cash equivalents	835	-	835
	1,950,939	(1,950,104)	835
Creditors: amounts falling due within one year	(2,796,441)	34,243	(2,762,198)
<b>Net current liabilities</b>	(845,502)	(1,915,861)	(2,761,363)
<b>Total assets less current liabilities</b>	(695,498)	1,426,479	730,981
<b>Net assets/liabilities</b>	(695,498)	1,426,479	730,981
<b>Capital and reserves</b>			
Called up share capital	66	-	66
Profit and loss account	(695,564)	1,426,479	730,915
	(695,498)	1,426,479	730,981

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 2. Accounting policies (continued)

#### 2.4 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. The Company offsets financial assets and financial liabilities if the Company has a legally enforceable legal right to offset the recognised amounts and interests and intends to settle on a net basis or realise the asset and liability simultaneously.

##### Financial assets

The classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All financial assets are initially measured at fair value.

The Company has not classified any of its financial assets as 'held to maturity' or as 'available for sale'. The Company's financial assets comprise of only financial assets held at fair value through profit or loss, cash and loans and receivables.

##### Classification

The Company has been classified as an investment entity and as such its investments in its SPVs are held at fair value through profit or loss and measured in accordance with the requirements of FRS 102 (see note 3).

##### Recognition

Investments made by the Company in the SPVs are initially recognised at transaction price on the day the loan commitment is drawn down. Transaction costs arising from the acquisition of the investments in the SPVs that are recurring in nature and that would not be expected to be recovered on a subsequent sale of the investment (such as legal fees relating to due diligence and technical reviews of the wind farms) are expensed to the Statement of Comprehensive Income. However, transaction costs intrinsically linked to the value of the investments (such as legal fees relating to the contract on the construction and maintenance of renewable assets, stamp duty costs relating to the leases on the wind farms, insurance during construction and technical due diligence on construction) are included in the cost of the financial assets held at fair value through profit or loss.

The Company recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

For financial liabilities measured at amortised cost, the impairment loss is measured as the difference between a liability's carrying amount and the present value of estimated cash flows discounted at the liability's original effective interest rate. If a financial liability has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

##### Measurement

Subsequent to initial recognition, the investments in the SPVs are measured at each subsequent reporting date at fair value. Gains and losses resulting from the revaluation of investments in the SPVs are recognised in the Statement of Comprehensive Income (see Note 10). The Company has elected to recognise all gains and losses from financial assets held at fair value through profit or loss as a single line in the Statement of Comprehensive Income. Fair value is determined on an unleveraged, discounted cash-flow basis in accordance with The International Private Equity and Venture Capital ("IPEV") Valuation Guidelines recognising any other assets and liabilities of the SPV.

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 2. Accounting policies (continued)

#### 2.4 Financial instruments (continued)

##### Derecognition of financial assets

A financial asset (in whole or in part) is derecognised either:

- when the Company has transferred substantially all the risks and rewards of ownership; or
- when it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- when the contractual right to receive cashflow has expired.

##### Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All financial liabilities are initially recognised at fair value net of transaction costs incurred. Unless otherwise indicated the carrying amounts of the Company's financial liabilities approximate to their fair values.

The Company's financial liabilities consist of only financial liabilities measured at amortised cost.

##### Financial liabilities measured at amortised cost

These include trade payables, borrowings and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest rate method.

##### Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income.

#### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method, less any impairment.

#### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

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### 2. Accounting policies (continued)

#### 2.8 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt so that the amount charged is at a constant rate on the carrying amount. Finance costs include issue costs, which are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.9 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

#### 2.10 Taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair value of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

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

The preparation of the financial statements under FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these financial statements, the directors have made the following judgements and estimates:

- a) Going concern - refer to note 2.2.
- b) A determination of the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the net effect of future planning strategies.
- c) Investment in subsidiary undertaking - The area involving a high degree of judgement or complexity or area where assumptions and estimates are significant to the financial statements has been identified as the risk of misstatement of the valuation of the SPV investments (see Note 9). Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.
- d) The Board has determined that the Company shall exclude all subsidiaries from consolidation in accordance with FRS 102 paragraph 9.9(b) 'Subsidiaries are held as part of an investment portfolio' as detailed in note 2.3. This determination involves a degree of judgement due to the complexity within the wider structure of the Group and the investments in the SPVs and the Company's purpose to invest funds solely to return from capital appreciation and investment income. Additionally, as the investments in the SPVs consist of both debt and equity investments, judgement has been applied to the unit of account for the measurement of these investments.

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

### 4. Other operating income

	Year ended 30 June 2022 £	18 months ended 30 June 2021 £
Technical service fee income	7,306	-

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 5. Operating profit

The operating profit is stated after charging:

	Year ended 30 June 2022 £	18 months ended 30 June 2021 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	3,200	4,500

### 6. Employees

The Company has no employees other than the directors (period ended 30 June 2021 - Nil), who did not receive any remuneration (period ended 30 June 2021 - £Nil).

### 7. Interest expense and similar expenses

	Year ended 30 June 2022 £	18 months ended 30 June 2021 £
Interest on loans from group undertakings	178,087	211,669

### 8. Taxation

	Year ended 30 June 2022 £	18 months ended 30 June 2021 £
Corporation tax		
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax charge for the year/period	-	-

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 8. Taxation (continued)

#### Factors affecting tax charge for the year/period

The tax assessed for the year is lower than (period ended 30 June 2021 - lower than) the standard rate of corporation tax in the UK of 19% (period ended 30 June 2021 - 19%). The differences are explained below:

	Year ended 30 June 2022 £	18 months ended 30 June 2021 £
Profit on ordinary activities before tax	1,500,181	37,443
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (period ended 30 June 2021 - 19%)	285,034	7,114
<b>Effects of:</b>		
Non-taxable income	(295,921)	(9,243)
Group relief	10,887	-
Movement in deferred tax not recognised	-	2,129
<b>Total tax charge for the year/period</b>	<b>-</b>	<b>-</b>

#### Factors that may affect future tax charges

Increases in the UK Corporation tax rate from 19% to 25% (19% effective from 1 April 2017, and 25% effective from 1 April 2023) have been substantively enacted. This will impact the Company's future tax charge accordingly.

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 9. Financial assets held at fair value through profit or loss

	2022 £	As restated 2021 £
At 1 July	3,492,344	3,492,344
Net movement in investments in the year/period	16,405	(48,645)
Change in fair value of financial assets held at fair value through profit or loss	930,389	48,645
	<u>4,439,138</u>	<u>3,492,344</u>

#### Valuation methodology and process

The directors base the fair value of the investments in the SPVs held by the Company on information received from the Investment Adviser. Fair value is calculated on discounted cash-flow basis in accordance with the IPEV Valuation Guidelines. The Investment Adviser produces fair value calculations on a semi-annual basis as at 30 June and 31 December each year.

The above methodology and process has been adopted for the year ended 30 June 2022. The Company is required to retrospectively fair value the portfolio as at 1 January 2020 and 30 June 2021, these being the first day of the prior accounting period and the last day of the prior accounting period. The valuation at these dates is based on the acquisition price when the intermediate parent entity Wind Energy 3 Hold Co Limited, which owns Wind Energy 2 Hold Co Limited (formerly Arena Capital Partners Limited) the immediate parent, was acquired by New Road Solar Limited on 29 July 2021. New Road Solar Limited is a wholly owned subsidiary of Bluefield Solar Income Fund Limited.

Each investment is subject to full UK corporate taxation at the prevailing rate with the tax shield being limited to the applicable capital allowances from the Company's SPV investments.

*The key inputs to a DCF based approach are: the equity discount rate, the cost of debt (influenced by interest rate, gearing level and length of debt), power price forecasts, long term inflation rates, irradiation forecasts, operational costs and taxation.*

Given discount rates are a product of not only the factors listed previously but also regulatory support, perceived sector risk and competitive tensions, it is not unusual for discount rates to change over time. Evidence of this is shown by way of the revisions to the original discount rates applied between the first UK solar and wind investments and those witnessed in the past twelve months.

Given discount rates are subjective, there is sensitivity within these to the interpretation of factors outlined above.

Judgement is used by the Board in maintaining the weighted average discount rate at 6.75% as at 30 June 2022 with two key factors that have impacted the adoption of this rate outlined below:

- Transaction values have remained consistent at c. £1.25m - £1.45m/MWp for large scale portfolios and which the Board have used to determine that an effective price of £1.38m/MWp is an appropriate basis for the valuation of the Bluefield Solar Income Fund Limited's portfolio as at 30 June 2022.
- Inclusion of the latest long term power forecasts from the Company's three providers.



# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 9. Financial assets held at fair value through profit or loss (continued)

#### Valuation methodology and process (continued)

In order to smooth the sensitivity of the valuation to forecast timing or opinion taken by a single forecast, the Board continues to adopt the application of a blended power curve from leading forecasters.

It is only the SPVs of the Company and their intermediate holding companies that the directors fair value. Fair value of operational SPVs is calculated on a discounted cash flow basis in accordance with the IPEV Valuation Guidelines.

#### Subsidiary undertaking

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding	Principal activity
Wind Energy Two Limited	1st Floor, 25 King Street, Bristol, United Kingdom, BS1 4PB	Ordinary	100%	Wind power generation
Wind Energy Scotland (Birkwood Mains) Limited	13 Queen's Road, Aberdeen, Scotland, AB15 4YL	Ordinary	100%	Wind power generation
Wind Energy Scotland (Fourteen Acre Fields) Limited	13 Queen's Road, Aberdeen, Scotland, AB15 4YL	Ordinary	100%	Wind power generation
Wind Energy Scotland (Holmhead) Limited	13 Queen's Road, Aberdeen, Scotland, AB15 4YL	Ordinary	100%	Wind power generation

### 10. Analysis of net gains on financial assets held at fair value through profit or loss

	2022 £	As restated 2021 £
Change in fair value of financial assets held at fair value through profit or loss	930,389	48,645
Receipts from SPV investments held at fair value through profit or loss	750,939	211,669
	<b>1,681,328</b>	<b>260,314</b>

### 11. Financial support to unconsolidated SPV investments

The Company has advanced the following shareholder loans to its SPVs. The loans are subject to an interest rate of 7% (2021 - Nil) per annum and are unsecured and repayable no later than 25 years from the date that the respective loan agreements were entered into.

	Equity £	Shareholder loan £	Total investment commitment £
Total investment in projects	150,004	1,932,266	2,082,270

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 12. Debtors: amounts falling due within one year

	2022 £	As restated 2021 £
Accrued income	1,049	-

### 13. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	3,007	835

### 14. Creditors: amounts falling due within one year

	2022 £	As restated 2021 £
Amounts owed to group undertakings	-	2,755,149
Other taxation and social security	-	1,798
Accruals	9,853	5,251
	<u>9,853</u>	<u>2,762,198</u>

Amounts owed to group undertakings consist of a loan payable to Wind Energy 2 Hold Co Limited (formerly Arena Capital Partners Limited). The loan is unsecured and interest free.

### 15. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	2,202,179	-

Amounts owed to group undertakings consist of a loan of £2,182,630 payable to Wind Energy 2 Hold Co Limited (formerly Arena Capital Partners Limited). The loan is repayable in 2043 and bears interest at a rate of 7% (2021 - Nil), compounding annually on 30 June. The loan is unsecured.

The remaining balance of £19,549 is also payable to Wind Energy 2 Hold Co Limited (formerly Arena Capital Partners Limited) and is unsecured, interest free and repayable on demand.

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 16. Financial instruments

	2022 £	2021 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	4,439,138	3,492,344
Financial assets measured at amortised cost	4,056	835
	<u>4,443,194</u>	<u>3,493,179</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(2,212,032)</u>	<u>(2,760,400)</u>

Financial assets measured at fair value through profit or loss comprise investments in group undertakings.

Financial assets measured at amortised cost comprise cash and accrued income.

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings and accruals.

### 17. Called up share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
50 (2021 - 50) Ordinary shares of £1.00 each	50	50
16 (2021 - 16) A Ordinary shares of £1.00 each	16	16
	<u>66</u>	<u>66</u>

The Ordinary shares are entitled to one vote per share in any circumstances and the right to participate in a distribution whether arising from liquidation, capital reduction or otherwise. The first £20m of proceeds on a realisation shall be paid pro-rata to the holders of Ordinary shares.

The A Ordinary shares are entitled to the right to participate in a distribution whether arising from liquidation, capital reduction or otherwise. Each share is entitled to one vote save when a major event of default has occurred and the number of voting rights attaching to A Ordinary shares shall be equal to 95% of the total voting rights attaching to all shares in issue at the time.

# Wind Energy Holdings Limited

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 18. Analysis of net debt

	At 1 July 2021 £	Cash flows £	Non-cash changes £	At 30 June 2022 £
Cash at bank and in hand	835	2,172	-	3,007
<b>Debt due after 1 year</b>				
Intercompany financing	(2,755,149)	-	552,970	(2,202,179)
	<u>(2,754,314)</u>	<u>2,172</u>	<u>552,970</u>	<u>(2,199,172)</u>

### 19. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

### 20. Subsequent events

There have been no significant events affecting the Company since the year end.

### 21. Controlling party

As at 30 June 2022, the Company's immediate parent company is Wind Energy 2 Hold Co Limited (formerly Arena Capital Partners Limited), a company incorporated in the United Kingdom, and is a wholly owned subsidiary of Bluefield Solar Income Fund Limited which is the ultimate parent company and controlling party, and is incorporated in Guernsey. The registered address of the immediate parent company is 3 Temple Quay, Temple Back East, Redcliffe, Bristol BS1 6DZ.