Registered number: 09887179

NORMAN 1985 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

NORMAN 1985 LIMITED

COMPANY INFORMATION

Directors	Simon Richard Eaves Dario Bertagna Kirsty Louise Usher Paul Kevin Hughes
Registered number	09887179
Registered office	Ibis House Ground Floor Ibis Court Centre Park Warrington WA1 1RL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors No 1 Spinningfields 1 Hardman Square Manchester M3 3EB
Bankers	Lloyds Bank 25 Gresham Street London EC2V 7HN

CONTENTS

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activities

The principal activity of Norman 1985 Limited (the "Company") together with its subsidiaries ("the Group") during the reporting year was the operation of a wind farm in Scotland, Whiteside Hill Windfarm (Scotland) Limited with a capacity of 27MW. The wind farm was commissioned on 31 March 2018.

Business review

Portfolio turnover for the year was £7.667 million (2019: £8.864 million). EBITDA from the portfolio was £5.926 million (2019: £6.640 million). The Group held assets with a total book value of £65.617 million (2019: £72.221 million) and has net liabilities of £11.801 million (2019: £10.603 million).

Principal risks and uncertainties

The Group's activities expose it to a variety of risks; market risk, counterparty and contractual risk, liquidity risk, regulatory risk and foreign exchange risk.

I. Market Risk

The Group sells its capacity under long-term market-based sales arrangement with a single UK electricity retailer. The electricity sold under the long-term market-based sales arrangement will be sold at market prices which are subject to market fluctuations.

II. Counterparty and Contractual Risk

The long-term financial performance of the Group is partially dependent on the creditworthiness of counterparties to power purchase agreements. Long term market sales are with a single UK electricity supplier.

Credit risk is actively managed by the Group:
- ongoing credit evaluation will be performed on the financial condition of accounts receivable;
- the terms and conditions under which sales are made are documented; and
- sales are made to an investment grade counterparty

III. Liquidity Risk (including cash flow and interest risk)

The Groups cash requirements are met by cash provided by its joint venture partners Clean Energy and Infrastructure UK Wind 2 Limited and CEI WSH Limited. Interest charges relate to loan notes issued by the Group. The overall interest rate risk is managed by Clean Energy and Infrastructure UK Wind 2 Limited and CEI WSH Limited and is not considered to be significant.

IV. Regulatory Risk

Health, Safety and Environmental

The Group has dedicated health, safety & environmental personnel through a related party undertaking, CD Arevon UK Limited, who oversee the Group's management systems. The management systems include risk assessments and annual audits to proactively address key health, safety and environmental issues.

V. Foreign Exchange Risk

The Group undertakes certain transactions denominated in foreign currencies, hence is exposed to exchange rate fluctuations, the Group has used forward contracts on a number of the foreign currency transactions to mitigate rate exposure.

Financial key performance indicators

Management monitor the following Key Performance Indicators (KPIs):

KPI Category	Year ended 31 December 2020	Year ended 31 December 2019	KPI Detail
Health & Safety Compliance	0 reportable incidents or near misses	0 reportable incidents or near misses	Includes incidents and near misses reported by third party contractors responsible for operating and maintaining the turbines under contract to the Company and third party subcontractors including those engaged to undertake work on behalf of the Company. The target of zero reportable incidents for the year has been achieved.
Environmental & Regulatory Compliance	0 reportable non-compliance	0 reportable non-compliance	Includes non-compliances reported by third party contractors responsible for operating and maintaining the turbines under contract to the Company. The target of zero reportable incidents for the year has been achieved.
Net Production	101,420 MWh	103,969 MWh	Units of electricity generated and exported to the local distribution grid. Net production is a function of the installed capacity, wind speed, turbine availability and site electrical losses. Reduction in net production from prior year due to 47 day grid outage.
Turnover	£7.667 million	£8.864 million	Turnover is a function of energy production and the price for each unit of energy output. Energy output is sold through market-cased sales arrangements with a single UK electricity based retailer. Reduction in turnover from prior year as a result of lower generation and lower pricing due to COVID-19.
EBITDA	£5.926 million	£6.640 million	EBITDA means earnings before interest, tax, depreciation and amortisation and is a measure of the free cash flows generated from operations.

Future developments

Whilst power prices have seen some variability in 2020, independent forecasters expect UK wholesale power prices to rise in real terms from the current levels, driven by high gas and and carbon prices. The Groups projects continue to benefit from the Renewable Obligation ("RO") incentive scheme. These projects will benefit from receiving Renewable Obligation Certificates, for a period of 20 years from the accreditation date.

As a direct consequence of COVID-19 and in light of these inherent uncertainties, Management has considered the potential impact of COVID-19 on the business (and its ability to continue as a going concern) under various scenarios, which is documented in further detail in the directors report page 5 and 6.

We acknowledge that the impact of Britain leaving the EU brings about many uncertainties. We believe there to be some mitigating factors around these uncertainties with the Group having long term Power Purchase Agreements, ROC prices and long term operational and maintenance agreements on the turbines.

This report was approved by the board on 29 June 2021 and signed on its behalf.

DocuSigned by:

7917FB1144BF40A...

Kirsty Louise Usher
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 group and company and of the profit or loss of the group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations
In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the group's and company's auditors are unaware; and
- they have taken all the 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 group's and company's auditors are aware of that information.

Directors

The directors who served during the year were:

Simon Richard Eaves
Helen Ruth Down (appointed 28 July 2020, resigned 28 January 2021)
Dario Bertagna
Kirsty Louise Usher
Paul Kevin Hughes (appointed 28 July 2020)

Future developments

See the Strategic Report page 3.

Directors indemnities

The directors and officers of the Group were insured for the full financial year and up to the date of approval of the financial statements. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the directors and officers in their capacity as officers of entities, and any other payments arising from liabilities incurred by officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

Going concern

The Directors have prepared the financial statements on a going concern basis. The Group has net current assets of £8.292 million (2019: £10.613 million) and net liabilities of £11.801 million (2019: £10.603 million), and has made losses in the current year of £1.198 million (2019: £2.352 million). The Group EBITDA contribution from the portfolio was £5.926 million (2019: £6.640 million) and cash generated from the Group operating activities was £5.143 million (2019: £8.598 million).

The Group's external debt liability is £62.957 million (2019: £62.924 million), of that balance £Nil million is due within the next 12 months, and there is no fixed repayment schedule in relation to the group undertaking loans. The Directors believe that sufficient cash will be generated in order to meet these liabilities as they fall due, based on the performance in Q1 along with the combination of fixed revenues under the ROC's and wind resources not being effect by COVID 19.

As a direct consequence of COVID-19 and in light of these inherent uncertainties, management has considered the potential impact of a severe but plausible downside scenario for COVID-19 on the business (and its ability to continue as a going concern) under various scenarios. The key risks of COVID-19 to the financial performance of the Group are summarised below:

- Revenue:

Price - Market power price movements do not materially impact the Group as a large proportion of the revenue price mix is fixed through a ROC buyout scheme.

- Generation:

Volume/Generation - The Groups volume all comes from wind turbines; COVID-19 does not impact the fuel source (wind). 100% of the electricity generated is sold directly to the offtaker as part of the Power Purchase Agreement 'PPA' between the generator and the offtaker. The Group has a PPA with a tier 1 offtaker, who have continued to pay to terms during the current lockdown period.

- Operating Costs:

The Company's/Group cost base is relatively low and fixed with a high EBITDA/Sales margin. The main costs include lease, rates & maintenance. To date, we have seen no issues with maintenance parts availability through the OEM.

- Capex:

No capital expenditure is forecast for the next 12 months in-line with 2021 budget.

- Working Capital:

All revenues are through a tier 1 PPA provider, to date we have received all monies in accordance with terms. Management expects no changes to working capital profile.

Going concern (continued)

As a result of this detailed assessment, and with reference to the Group's balance sheet, but also acknowledging the inherent uncertainty of the current economic outlook, the Directors' have concluded that the Group is able to meet its obligations when they fall due for a period of at least 12 months after the date of this report. Also Directors have received letters of support from Capital Dynamics Clean Energy and Infrastructure LP and CEI WSH LP that confirm support for the Company for at least one year after these financial statements are signed. For this reason they continue to adopt the going concern basis for preparing the interim financial statements.

Independent Auditors

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

This report was approved by the board on 29 June 2021 and signed on its behalf.

DocuSigned by:

7917FB1144BF40A...

Kirsty Louise Usher
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORMAN 1985 LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Norman 1985 Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2020 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 December 2020; the Consolidated Statement of Income and Retained Earnings, the Consolidated Statement of cash flows, and the Consolidated and Company Statements of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORMAN 1985 LIMITED (CONTINUED)

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate results, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgments made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NORMAN 1985 LIMITED (CONTINUED)

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Daniel Wilbourn

Daniel Wilbourn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
29 June 2021

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Turnover	4	**7,667**	*8,864*
Cost of sales		**(4,190)**	*(4,098)*
Gross profit		**3,477**	*4,766*
Administrative expenses		**(1,507)**	*(1,987)*
Other operating income	5	**78**	-
Operating profit	6	**2,048**	*2,779*
Interest receivable and similar income	8	**1**	-
Interest payable and similar expenses	9	**(3,094)**	*(5,351)*
Loss before tax		**(1,045)**	*(2,572)*
Tax on loss	10	**(153)**	*220*
Loss for the financial year		**(1,198)**	*(2,352)*
Accumulated losses at the beginning of the year		**(18,703)**	*(16,351)*
		(18,703)	*(16,351)*
Loss for the year attributable to the owners of the parent		**(1,198)**	*(2,352)*
Accumulated losses at the end of the year		**(19,901)**	*(18,703)*

There were no recognised gains and losses for the year ended 31 December 2020 or the year ended 31 December 2019 other than those included in the Consolidated Statement of Income and Retained Earnings.

The notes on pages 16 to 38 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Intangible assets	12		**19,176**		*20,457*
Tangible assets	13		**36,564**		*38,965*
			55,740		*59,422*
Current assets					
Debtors: amounts falling due after more than one year	15	**384**		*384*	
Debtors: amounts falling due within one year	15	**4,845**		*4,887*	
Cash at bank and in hand	16	**4,648**		*7,528*	
		9,877		*12,799*	
Creditors: amounts falling due within one year	17	**(1,585)**		*(2,186)*	
Net current assets			**8,292**		*10,613*
Total assets less current liabilities			**64,032**		*70,035*
Creditors: amounts falling due after more than one year	18		**(75,457)**		*(80,407)*
Provisions for liabilities					
Other provisions	22	**(376)**		*(231)*	
			(376)		*(231)*
Net liabilities			**(11,801)**		*(10,603)*
Capital and reserves					
Called up share capital	23		**8,100**		*8,100*
Profit and loss account			**(19,901)**		*(18,703)*
Total equity			**(11,801)**		*(10,603)*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2021.

DocuSigned by:

7917FB1144BF40A...
Kirsty Louise Usher
Director

The notes on pages 16 to 38 form part of these financial statements.

NORMAN 1985 LIMITED
REGISTERED NUMBER: 09887179

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		2019 £000
Fixed assets					
Investments	14		**32,715**		*32,715*
			32,715		*32,715*
Current assets					
Debtors: amounts falling due after more than one year	15	**50,009**		*50,426*	
Debtors: amounts falling due within one year	15	**16**		*7*	
Cash at bank and in hand	16	**1,695**		*1,898*	
		51,720		*52,331*	
Creditors: amounts falling due within one year	17	**(944)**		*(105)*	
Net current assets			**50,776**		*52,226*
Total assets less current liabilities			**83,491**		*84,941*
Creditors: amounts falling due after more than one year	18		**(74,239)**		*(79,117)*
Net assets			**9,252**		*5,824*
Capital and reserves					
Called up share capital	23		**8,100**		*8,100*
Profit and loss account brought forward		**(2,276)**		*(3,425)*	
Profit for the year	11	**3,428**		*1,149*	
Profit and loss account carried forward			**1,152**		*(2,276)*
Total equity			**9,252**		*5,824*

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2021.

DocuSigned by:

7817FB1144BF40A...

Kirsty Louise Usher
Director

The notes on pages 16 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	**16,500**	**(16,351)**	**149**
Comprehensive expense for the year			
Loss for the year	**-**	**(2,352)**	**(2,352)**
Total comprehensive expense for the year	**-**	**(2,352)**	**(2,352)**
Shares redeemed during the year	**(8,400)**	**-**	**(8,400)**
Total transactions with owners	**(8,400)**	**-**	**(8,400)**
At 31 December and 1 January 2020	**8,100**	**(18,703)**	**(10,603)**
Comprehensive expense for the year			
Loss for the year	**-**	**(1,198)**	**(1,198)**
Total comprehensive expense for the year	**-**	**(1,198)**	**(1,198)**
At 31 December 2020	**8,100**	**(19,901)**	**(11,801)**

The notes on pages 16 to 38 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2019	**16,500**	**(3,425)**	**13,075**
Comprehensive income for the year			
Profit for the year	-	1,149	1,149
Total comprehensive income for the year	-	1,149	1,149
Contributions by and distributions to owners			
Shares redeemed during the year	(8,400)	-	(8,400)
Total transactions with owners	(8,400)	-	(8,400)
At 31 December 2019 and 1 January 2020	8,100	(2,276)	5,824
Comprehensive income for the year			
Profit for the year	-	3,428	3,428
Total comprehensive income for the year	-	3,428	3,428
At 31 December 2020	8,100	1,152	9,252

The notes on pages 16 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	*2019 £000*
Cash flows from operating activities			
Loss for the financial year		**(1,198)**	*(2,352)*
Adjustments for:			
Amortisation of intangible assets	12	**1,281**	*1,281*
Depreciation of tangible assets	13	**2,597**	*2,580*
Loan amortisation fee		**34**	*14*
Interest charged	9	**3,060**	*5,326*
Interest received	8	**(1)**	-
Taxation charge	10	**153**	*(220)*
(Increase)/decrease in debtors		**(111)**	*1,512*
(Decrease)/increase in creditors		**(673)**	*446*
Increase in provisions	22	**1**	*11*
Net cash generated from operating activities		**5,143**	*8,598*
Cash flows from investing activities			
Purchase of tangible fixed assets	13	**(52)**	-
Interest received	8	**1**	-
Net cash from investing activities		**(51)**	-
Cash flows from financing activities			
Purchase of ordinary shares	23	**-**	*(8,400)*
New secured loans	19	**-**	*63,498*
Other new loans	19	**-**	*(588)*
Loans from joint ventures repaid		**(1,540)**	*(51,874)*
Interest paid		**(6,432)**	*(5,202)*
Net cash used in financing activities		**(7,972)**	*(2,566)*
Net (decrease)/increase in cash and cash equivalents		**(2,880)**	*6,032*
Cash and cash equivalents at beginning of year	16	**7,528**	*1,496*
Cash and cash equivalents at the end of year	16	**4,648**	*7,528*
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		**4,648**	*7,528*

The notes on pages 16 to 38 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Norman 1985 Limited ('the Company') is a private company limited by shares and incorporated in the United Kingdom. The address of its registered office is Ibis House Ground Floor, Ibis Court, Centre Park, Warrington, WA1 1RL. The Company was incorporated on 24 November 2015. The principal activity of the Company during the reporting year was the management of its subsidiary.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied consistently:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

2. Accounting policies (continued)

2.3 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

As a qualifying entity, the parent Company has taken advantage of the following exemptions in its individual financial statements:

(i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
(ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
(iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the year as required by paragraph 4.12(a)(iv) of FRS 102; and
(iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

2.4 Going concern

The Directors have prepared the financial statements on a going concern basis. The Group has net current assets of £8.292 million (2019: £10.613 million) and net liabilities of £11.801 million (2019: £10.603 million), and has made losses in the current year of £1.198 million (2019: £2.352 million). The Group EBITDA contribution from the portfolio was £5.926 million (2019: £6.640 million) and cash generated from the Group operating activities was £5.143 million (2019: £8.598 million).

The Group's external debt liability is £62.957 million (2019: £62.924 million), of that balance £Nil million is due within the next 12 months, and there is no fixed repayment schedule in relation to the group undertaking loans. The Directors believe that sufficient cash will be generated in order to meet these liabilities as they fall due, based on the performance in Q1 along with the combination of fixed revenues under the ROC's and wind resources not being effect by COVID 19.

As a direct consequence of COVID-19 and in light of these inherent uncertainties, management has considered the potential impact of a severe but plausible downside scenario for COVID-19 on the business (and its ability to continue as a going concern) under various scenarios. The key risks of COVID-19 to the financial performance of the Group are summarised below:

• Revenue:
Price - Market power price movements do not materially impact the Group as a large proportion of the revenue price mix is fixed through a ROC buyout scheme.

• Generation:
Volume/Generation - The Groups volume all comes from wind turbines; COVID-19 does not impact the fuel source (wind). 100% of the electricity generated is sold directly to the offtaker as part of the Power Purchase Agreement 'PPA' between the generator and the offtaker. The Group has a PPA with a tier 1 offtaker, who have continued to pay to terms during the current lockdown period.

• Operating Costs:
The Company's/Group cost base is relatively low and fixed with a high EBITDA/Sales margin. The main costs include lease, rates & maintenance. To date, we have seen no issues with maintenance parts availability through the OEM.

2. Accounting policies (continued)

2.4 Going concern (continued)

• Capex:
No capital expenditure is forecast for the next 12 months in-line with 2021 budget.

• Working Capital:
All revenues are through a tier 1 PPA provider, to date we have received all monies in accordance with terms. Management expects no changes to working capital profile.

As a result of this detailed assessment, and with reference to the Group's balance sheet, but also acknowledging the inherent uncertainty of the current economic outlook, the Directors' have concluded that the Group is able to meet its obligations when they fall due for a period of at least 12 months after the date of this report. Also Directors have received letters of support from Capital Dynamics Clean Energy and Infrastructure LP and CEI WSH LP intend to support the Company for at least one year after these financial statements are signed. For this reason they continue to adopt the going concern basis for preparing the interim financial statements.

2.5 Turnover

Turnover represents the value of sales of electricity generated and associated benefits, exclusive of Value Added Tax and trade discounts. This includes the sale of electricity and associated renewable energy benefits:

(i) electricity delivered to customers is based on actual meter readings,

(ii) renewable energy benefits sold to customers are based on actual benefits awarded to the Company by the Office of Gas and Electricity Markets (OFGEM) during the reporting year. The pricing mechanism for renewable obligation certificates (ROCs) includes a recycle value component. ROC recycling turnover is measured at the fair value of the consideration receivable. The Company recognises ROC recycling turnover when the amount of turnover can be reliably measured and it is probable that future economic benefits will flow to the entity. The amount of turnover is not considered to be reliably measurable until the Company delivers the energy output. The Company bases its estimate of the ROC recycle value component on historical results, consulting market specialists and incorporating market information published by OFGEM.

2.6 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions, unless the transactions has been hedged, at this point the invoices is translated at the spot rate but the payment is made at the hedges rate with any gains or losses taken to the Statement of Income and Retained Earnings.

At each year end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Income and Retained Earnings on a straight line basis over the lease term.

2. *Accounting policies (continued)*

2.8 Interest income

Interest income is recognised in the Consolidated Statement of Income and Retained Earnings using the effective interest method.

2.9 Finance costs

Finance costs of financial liabilities are recognised in the Consolidated Statement of Income and Retained Earnings over the term of such instruments at a constant rate on the carrying amount.

Interest expense represents interest payable on borrowings and is recognised as it accrues, using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Income and Retained Earnings in the year in which they are incurred.

2.11 Current and deferred taxation

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

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

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

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

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

2. Accounting policies (continued)

2.12 Intangible assets

Amortisation of goodwill is provided on a straight line basis over its estimated useful life, capped by the lease term if this is less than the useful economic life of the wind turbine (which have an estimated useful life of 20 years).

Goodwill is tested annually for impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market views of the time value of money and the risks specific to the assets. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately.

2.13 Tangible fixed assets

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

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

The estimated useful lives range as follows:

Plant and machinery	- Lower of the length of the lease or the expected life of the wind farm
Plant and machinery	- Decommissioning costs - life of the operating contract

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.15 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 method, less any impairment.

2. Accounting policies (continued)

2.16 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.17 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 method.

2.18 Borrowings

All loans and borrowings are initially recognised at fair value being the consideration received net of issue costs associated with the borrowing. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement. Gains and losses are recognised in the Statement of Income and Retained Earnings when liabilities are derecognised as well as through the amortisation process.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Decommissioning provisions are recognised when the wind farm becomes operational and measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the balance sheet date: with a corresponding balance held in fixed assets. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as a finance cost.

Please see note 26 for details of the accounting treatment of a change in accounting estimate in the year.

2. Accounting policies (continued)

2.20 Financial instruments

Derivative financial instruments comprise of forward foreign exchange contracts. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Income and Retained Earnings in finance costs or income as appropriate.

Non-derivative financial instruments comprise investments, trade and other receivables, loans and borrowings, trade and other payables, and provisions. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, they are measured as described below:

(i) Trade and other receivables are carried at original invoice amount less any allowance for uncollectable amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off when identified.

(ii) Interest bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the Statement of Income and Retained Earnings over the period of the borrowings on an effective interest basis.

(iii) Trade and other payables are carried at cost.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, turnover and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected. The most critical of these accounting judgments and estimates are explained below.

Impairment of assets:

The Group tests annually whether intangible and tangible fixed assets have suffered any impairment. The recoverable amounts of the cash generating unit have been determined based on value in use calculations, which look at the future discounted cashflows. These calculations requite the use of estimates, which includes the following: discount rate, generation outputs, pricing and operating costs.

Cash flow projections used for the value in use modelling are by their nature subject to inherent uncertainties. To reflect the risks posed by the current market conditions, a series of sensitivities, outlined below, have been ran against the forecast projections.

1% increase of the Discount Rate - Impairment of £Nil
5% decrease in the Power Price - Impairment of £Nil
5% decrease in the Generation - Impairment of £Nil

Decommissioning provision:

Decommissioning provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the balance sheet date: with a corresponding balance held in fixed assets. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

During the year the discount rate and inflation rate used to calculate net present value of decommissioning costs were changed in line with current market conditions. This has been treated as a change in accounting estimate with adjustments to the carrying value of the decommissioning asset and provision being recognised in the current year.

Discount rate has been changed from 5% to 2% being the risk free rate of return and inflation rate has been changed from 3% to 2% based on long term CPI.

Recovery of deterred tax asset:

The Group deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £000	*2019 £000*
Sale of electricity	**7,667**	*8,864*
	7,667	*8,864*

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £000	*2019 £000*
Insurance claims receivable	**78**	-
	78	-

Insurance claims receivable relate to compensation for a turbine gearbox outage.

6. Operating profit

The operating profit is stated after charging:

	2020 £000	*2019 £000*
Depreciation of tangible fixed assets	**2,597**	*2,580*
Amortisation of intangible assets, including goodwill	**1,281**	*1,281*
Fees payable to the Group's auditors and their associates for the audit of the Company's annual financial statements	**24**	*18*
Other operating lease rentals	**436**	*482*

During the year, no director received any emoluments (2019: £Nil), for their services to the Company or Group.

There were no non-audit services provided in the year, (2019: £Nil).

7. Employees

The Group had Nil employees (2019: Nil).

All asset management services were carried out on behalf of the Group through a long term service agreement with CD Arevon UK Limited, with asset management services costs for the year of £0.143 million (2019: £0.120 million) of which £Nil relates to the Company (2019: £0.019).

8. Interest receivable and similar income

	2020 £000	*2019 £000*
Other interest receivable	1	-
	1	-

9. Interest payable and similar expenses

	2020 £000	*2019 £000*
Bank interest payable	1,786	*776*
Loans from group undertakings	1,274	*4,550*
Other interest payable	34	*25*
	3,094	*5,351*

10. Tax on loss

	2020 £000	*2019 £000*
Deferred tax		
Origination and reversal of timing differences	167	*(122)*
Changes to tax rates	(14)	*13*
Adjustments in respect of previous periods	-	*(111)*
Total deferred tax	153	*(220)*
Tax on loss	153	*(220)*

10. Tax on loss (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year is higher than *(2019 - higher than)* the standard rate of corporation tax in the UK of 19.00% *(2019 - 19.00%)*. The differences are explained below:

	2020 £000	*2019 £000*
Loss before tax	**(1,045)**	*(2,572)*
Loss before tax multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	**(199)**	*(489)*
Effects of:		
Expenses not deductible for tax purposes	**366**	*365*
Adjustments in respect of previous periods	**-**	*(111)*
Deferred tax previously not recognised	**-**	*2*
Tax rate changes	**(14)**	*13*
Total tax charge/(credit) for the year	**153**	*(220)*

Factors that may affect future tax charges

The standard rate of corporation tax applied to reported profit/(loss) is 19.0% (2019: 19.0%). The rate of UK corporation tax has remained at 19%. A further reduction in the rate of UK corporation tax to 17% from 1 April 2020 was substantively enacted as part of the Finance Act 2016. However, in the March 2020 Budget it was announced that the reduction in the UK rate to 17% would now not occur and the Corporation Tax Rate would be held at 19%. This was substantively enacted on 17 March 2020 and as this took place before the balance sheet date, deferred tax balances as at 31 December 2020 have been calculated at 19% instead of 17%.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, if the 25% tax rate had been used at the balance sheet date, the deferred tax asset would increase by £0.401 million.

11. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Income and Retained Earnings in these financial statements. The profit for the parent Company for the financial year was £3.428 million (2019: £1.149 million).

12. Intangible assets

Group

	Goodwill £000
Cost	
At 1 January 2020	**25,627**
At 31 December 2020	**25,627**
Accumulated amortisation	
At 1 January 2020	**5,170**
Charge for the year on owned assets	**1,281**
At 31 December 2020	**6,451**
Net book value	
At 31 December 2020	**19,176**
At 31 December 2019	*20,457*

13. Tangible assets

Group

	Plant and machinery £000
Cost	
At 1 January 2020	**43,474**
Additions	**52**
Revaluations	**144**
At 31 December 2020	**43,670**
Accumulated depreciation	
At 1 January 2020	**4,509**
Charge for the year on owned assets	**2,597**
At 31 December 2020	**7,106**
Net book value	
At 31 December 2020	**36,564**
At 31 December 2019	*38,965*

During the year the discount rate and inflation rate used to calculate net present value of decommissioning costs were changed in line with current market conditions. This has been treated as a change in accounting estimate with adjustments to the carrying value of the decommissioning asset and provision being recognised in the current year.

Discount rate has been changed from 5% to 2% being the risk free rate of return and inflation rate has been changed from 3% to 2% based on long term CPI.

The effect of the change of discount and inflation rates in the current year are as follows:

Decommissioning asset cost has been increased by £0.144 million and accumulated depreciation increased by £0.015 million with a corresponding debit to the Statement of Income and Retained Earnings.

Carrying value of the decommissioning provision has been increased by £0.138 million of which £0.006 million is a reduction of the unwinding and a credit to the Statement of Income and Retained Earnings.

14. Investments

Company

	Investments in subsidiary companies £000
Cost and net book value	
At 1 January 2020	32,715
At 31 December 2020	32,715

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Whiteside Hill Windfarm (Scotland) Limited	13 Queen's Road, Aberdeen, AB15 4YL	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves £000	Loss £000
Whiteside Hill Windfarm (Scotland) Limited	(659)	(3,344)

15. Debtors

		Group 2020 £000	*Group 2019 £000*	**Company 2020 £000**	*Company 2019 £000*
Amounts falling due after more than one year					
Amounts owed by group undertakings		**-**	-	**50,009**	*50,426*
Other debtors		**384**	*384*	**-**	-
		384	*384*	**50,009**	*50,426*

Amounts owed by group undertakings relate to the unsecured loan notes held by the Company. The loan notes have an interest rate of 15% and a final repayment date of June 2028. There are no fixed repayment instalments.

During the year £Nil (2019: £1.937 million) loan notes were issued, £1.375 million (2019: £Nil) principal was repaid and £6.465 million (2019: £6.660 million) interest was repaid. Interest of £7.423 million (2019: £7.293 million) has been charged to the Company Statement of Income and Retained Earnings. The amount owed to Norman 1985 Limited at 31 December 2020 includes unpaid interest of £12.300 million (2019: £11.341 million).

		Group 2020 £000	*Group 2019 £000*	**Company 2020 £000**	*Company 2019 £000*
Amounts falling due within one year					
Trade debtors		**943**	*409*	**-**	-
Amounts owed by group undertakings		**8**	*7*	**7**	*7*
Other debtors		**9**	-	**9**	-
Deferred taxation	21	**1,269**	*1,422*	**-**	-
Prepayments and accrued income		**2,616**	*3,049*	**-**	-
		4,845	*4,887*	**16**	*7*

Trade debtors are stated after provision for impairment of £NIL (2019 - £NIL).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. Cash at bank and in hand

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Cash at bank and in hand	4,648	7,528	1,695	1,898
	4,648	7,528	1,695	1,898

17. Creditors: Amounts falling due within one year

	Group 2020 £000	Group 2019 £000	Company 2020 £000	Company 2019 £000
Trade creditors	132	24	-	2
Amounts owed to group undertakings	-	-	910	79
Taxation and social security	468	918	-	-
Other creditors	-	500	-	-
Accruals and deferred income	985	744	34	24
	1,585	2,186	944	105

Amounts owed to group undertakings Whiteside Hill Windfarm (Scotland) Limited are unsecured, non interest bearing, have no fixed repayment date and are payable on demand.

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

		Group 2020 £000	*Group 2019 £000*	Company 2020 £000	*Company 2019 £000*
Bank loans and overdrafts	19	**62,957**	*62,924*	**62,957**	*62,924*
Amounts owed to joint venture partners		**11,282**	*16,193*	**11,282**	*16,193*
Other creditors		**1,218**	*1,290*	**-**	*-*
		75,457	*80,407*	**74,239**	*79,117*

Amounts owed to joint venture partners are unsecured at an interest rate of 10% and a final repayment date of 31 March 2032.

As at 31 December 2020 amounts owed to Clean Energy and Infrastructure UK Wind 2 Limited (50% joint venture partner) represent unsecured loans and accrued interest. The loan notes have an interest rate of 10% and a final repayment date of 2036. There are no fixed repayment instalments. During the year £Nil (2019: £Nil) was issued, £0.770 million principal was repaid (2019: £25.937 million) and £2.323 million interest was repaid (2019: £2.213 million). During the year interest of £0.646 million (2019: £2.282 million) was charged to the Consolidated Statement of Income and Retained Earnings. The amount owed to Clean Energy and Infrastructure UK Wind 2 Limited at 31 December 2020 of £5.723 million (2019: £8.171 million) includes accrued interest of £4.237 million (2019: £5.915 million)

As at 31 December 2020 amounts owed to CEI WSH Limited (50% joint venture partner) represent unsecured loans and accrued interest. The loan notes have an interest rate of 10% and a final repayment date of 2036. There are no fixed repayment instalments. During the year £Nil was issued (2019: £Nil), £0.769 million principal was repaid (2019: £25.937 million) and £2.323 million interest was repaid (2019: £2.213 million). During the year interest of £0.628 million (2019: £2.268 million) was charged to the Consolidated Statement of Income and Retained Earnings. The amount owed to CEI WSH Limited at 31 December 2020 of £5.559 million (2019: £8.023 million) includes accrued interest of £4.073 million (2019: £5.767 million).

Other creditors are made up of monies due for the contribution towards fixed assets, as part of a cost sharing agreement, these monies will be amortised over the remaining life of the assets.

See note 19 for further details on bank loans and overdrafts.

19. Loans

	Group 2020 £000	*Group 2019 £000*	**Company 2020 £000**	*Company 2019 £000*
Amounts falling due 2-5 years				
Bank loans	**10,787**	*7,347*	**10,787**	*7,347*
	10,787	*7,347*	**10,787**	*7,347*
Amounts falling due after more than 5 years				
Bank loans	**52,170**	*55,577*	**52,170**	*55,577*
	52,170	*55,577*	**52,170**	*55,577*
	62,957	*62,924*	**62,957**	*62,924*

On 25 July 2019, Norman entered an external loan agreement, the loan is secured against the Group's tangible fixed assets, and the interest on the loan has a fixed rate (2.805%). The maturity of the loan is March 2037.

Loan principal of £63.498 million (2019: £63.498 million) is offset by a loan arrangement fee of £0.541 million (2019: £0.588 million) Interest charged to the Consolidated Statement of Income and Retained Earnings and paid in the year was £1.786 million (2019: £0.776 million) and release of loan arrangement fees of £0.033 million (2019 £0.014 million). As at 31 December 2020 interest accrued was £Nil (2019: £Nil million).

20. Financial instruments

	Group 2020 £000	*Group 2019 £000*	Company 2020 £000	*Company 2019 £000*
Financial assets				
Financial assets measured at fair value through profit or loss	**4,648**	*7,528*	**1,695**	*1,898*
Financial assets that are debt instruments measured at amortised cost	**3,587**	*3,613*	**50,025**	*50,433*
	8,235	*11,141*	**51,720**	*52,331*
Financial liabilities				
Financial liabilities measured at amortised cost	**(76,570)**	*(81,675)*	**(75,183)**	*(79,222)*

Financial assets measured at fair value through profit or loss comprise the following:
- Cash at bank and in hand

Financial assets that are debt instruments measured at amortised cost comprise the following:
- Trade receivables
- Amounts owed by group undertakings
- Amounts owed by joint ventures and associated undertaking
- Other debtors and accrued income

Financial liabilities measured at amortised cost comprise of the following:
- Bank overdrafts
- Bank Loans
- Trade creditors
- Amounts owed to group undertakings
- Other creditors and accruals

21. Deferred taxation

Group

	2020 £000	*2019 £000*
At beginning of year	**1,422**	*1,203*
Charged to profit or loss	**(153)**	*219*
At end of year	**1,269**	*1,422*

Company

	2019
At beginning of year	*178*
Charged to profit or loss	*(178)*
At end of year	*-*

The deferred tax asset is made up as follows:

	Group 2020 £000	*Group 2019 £000*
Accelerated capital allowances	**(3,062)**	*(2,487)*
Tax losses carried forward	**1,864**	*1,888*
Short-term timing differences	**2,078**	*1,673*
Non trading timing differences	**389**	*348*
	1,269	*1,422*

22. Other provisions

Group

	Decommissioning provision £000
At 1 January 2020	**231**
Charged to profit or loss	**7**
Reduction in provision unwind	**(6)**
Increase in asset cost	**144**
At 31 December 2020	**376**

Upon closure of the wind farm, the Company has a requirement to dismantle and clean up the facility site. This provision represents an estimated cost to perform this function. The provision is expected to crystallise in more than 20 years based on the length of the lease.

During the year the discount rate and inflation rate used to calculate net present value of decommissioning costs were changed in line with current market conditions. This has been treated as a change in accounting estimate with adjustments to the carrying value of the decommissioning asset and provision being recognised in the current year.

Discount rate has been changed from 5% to 2% being the risk free rate of return and inflation rate has been changed from 3% to 2% based on long term CPI.

The effect of the change of discount and inflation rates in the current year are as follows:

Decommissioning asset cost has been increased by £0.144 million and accumulated depreciation increased by £0.015 million with a corresponding debit to the Statement of Income and Retained Earnings.

Carrying value of the decommissioning provision has been increased by £0.138 million of which £0.006 million is a reduction of the unwinding and a credit to the Statement of Income and Retained Earnings.

23. Called up share capital

Group and Company

	2020 £000	*2019 £000*
Allotted, called up and fully paid		
8,100,002 *(2019 - 8,100,002)* Ordinary shares of £1.00 each	**8,100**	*8,100*

As part of the refinancing on 25 July 2019, the Company cancelled paid up capital of 8,400,000 ordinary shares of £1.00 each, and the amount by which the share capital is reduced was repaid to the holders of those shares.

24. Commitments under operating leases

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

	Group 2020 £000	*Group 2019 £000*
Not later than 1 year	**205**	*199*
Later than 1 year and not later than 5 years	**820**	*798*
Later than 5 years	**4,317**	*4,406*
	5,342	*5,403*

25. Related party transactions

Amounts owed to joint venture partners are unsecured at an interest rate of 10% and a final repayment date of 31 March 2032.

As at 31 December 2020 amounts owed to Clean Energy and Infrastructure UK Wind 2 Limited (50% joint venture partner) represent unsecured loans and accrued interest. The loan notes have an interest rate of 10% and a final repayment date of 2036. There are no fixed repayment instalments. During the year £Nil (2019: £Nil) was issued, £0.770 million principal was repaid (2019: £25.937 million) and £2.323 million interest was repaid (2019: £2.213 million). During the year interest of £0.646 million (2019: £2.282 million) was charged to the Consolidated Statement of Income and Retained Earnings. The amount owed to Clean Energy and Infrastructure UK Wind 2 Limited at 31 December 2020 of £5.723 million (2019: £8.171 million) includes accrued interest of £4.237 million (2019: £5.915 million)

As at 31 December 2020 amounts owed to CEI WSH Limited (50% joint venture partner) represent unsecured loans and accrued interest. The loan notes have an interest rate of 10% and a final repayment date of 2036. There are no fixed repayment instalments. During the year £Nil was issued (2019: £Nil), £0.769 million principal was repaid (2019: £25.937 million) and £2.323 million interest was repaid (2019: £2.213 million). During the year interest of £0.628 million (2019: £2.268 million) was charged to the Consolidated Statement of Income and Retained Earnings. The amount owed to CEI WSH Limited at 31 December 2020 of £5.559 million (2019: £8.023 million) includes accrued interest of £4.073 million (2019: £5.767 million).

CD Arevon UK Limited is related to the Group due to being under common control of the directors. All asset management services were carried out on behalf of the Group through a long term service agreement with CD Arevon UK Limited, with asset management services costs for the year of £0.143 million (2019: £0.120 million) of which £Nil relates to the Company (2019: £0.019).

26. Change in accounting estimates

During the year the discount rate and inflation rate used to calculate net present value of decommissioning costs were changed in line with current market conditions. This has been treated as a change in accounting estimate with adjustments to the carrying value of the decommissioning asset and provision eing recognised in the current year.

Discount rate has been changed from 5% to 2% being the risk free rate of return and inflation rate has been changed from 3% to 2% based on long term CPI.

The effect of the change of discount and inflation rates in the current year are as follows:

Decommissioning asset cost has been increased by £0.144 million and accumulated depreciation increased by £0.015 million with a corresponding debit to the Statement of Income and Retained Earnings.

Carrying value of the decommissioning provision has been increased by £0.138 million of which £0.006 million is a reduction of the unwinding and a credit to the Statement of Income and Retained Earnings.

27. Controlling party

The immediate parent undertakings are Clean Energy and Infrastructure UK Wind 2 Limited and CEI WSH Limited.

The ultimate parent undertakings of the immediate parents are Capital Dynamics Clean Energy and Infrastructure LP and Capital Dynamics CEI WSH LP.

Norman 1985 Limited is an investment entity of Capital Dynamics CEI WSH LP ("CEI WSH") and Capital Dynamics Clean Energy and Infrastructure LP ("CEI II").

CEI II is a limited partnership in England under the Limited Partnership Acts 1907 with LP number 14392. CEI II was constituted by an agreement entered into between Capital Dynamics UK 2 Limited ("Initial GP") and the Limited Partners in CEI II. On 20 December 2011 the Initial GP transferred its interest in CEI II to Capital Dynamics CEI GP LP ("CD GP"), a Scottish limited partnership with registered number SL8840 acting by its general partners, Capital Dynamics CEI GP Sarl, a company incorporated under the laws of Luxembourg whose registered office is at 49 Avenue J.F. Kennedy, L 1855 Luxembourg and Capital Dynamics UK GP I LLP, a Scottish limited liability partnership with registered number SO305128. Capital Dynamics Limited has been appointed as the Manager of CEI II to manage and operate CEI II and act as investment manager of CEI II on behalf of the Partners.

CEI WSH is an exempted limited partnership in the Cayman Islands under the Exempted Limited Partnership Law 2018 with LP number DB-97313. CEI WSH was constituted by an agreement entered into between Capital Dynamics CEI GP (Cayman Islands) Limited and Capital Dynamics CEI Founder Partner (Cayman Islands) LP. Capital Dynamics Inc has been appointed as the Manager of CEI WSH to manage and operate CEI WSH and act as investment manager of CEI WSH on behalf of its Limited Partner.

Norman 1985 Limited is the largest and smallest parent undertaking to consolidate these financial statements at 31 December 2020. The consolidated financial statements of Norman 1985 Limited are available from Ibis House Ground Floor, Ibis Court, Centre Park, Warrington, WA1 1RL.