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## **OAK RENEWABLES 2 LIMITED**

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2021**

## **OAK RENEWABLES 2 LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	B V Corcoran (resigned 29 July 2021) T A Costello (resigned 3 June 2020) I D Greer (resigned 29 July 2021) N A Wood (appointed 29 July 2021) L Roberts (appointed 29 July 2021)
<b>Registered number</b>	NI631499
<b>Registered office</b>	The Soloist, 1 Lanyon Place, Belfast, BT1 3LP
<b>Independent auditor</b>	KPMG Channel Islands Limited Gategny Court Gategny Esplanade St Peter Port Guernsey GY1 1WR
<b>Accountants</b>	KMR Accountants Limited Chartered Certified Accountants 12 Crowe Street Dundalk Co.Louth Ireland
<b>Bankers</b>	Bank of Ireland UK Townhall Street. Enniskillen Co. Fermanagh BT74 7BD

**OAK RENEWABLES 2 LIMITED**

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## **OAK RENEWABLES 2 LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2021**

The Directors present their report and the audited financial statements for the period from 1 January 2020 to 30 June 2021.

The prior period unaudited accounts have been presented for a year to 31 December 2019. On 27 August 2021, the company's year end was changed to be in line with other companies in the group. The comparative amounts presented in these financial statements for the 18 month period ended 30 June 2021 are therefore not wholly comparable.

#### **Principal activity**

The principal activity of the company is the operation and management of a wind turbine plant in the UK, earning revenue from the sale of electricity generated.

#### **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:

**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.

**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.

**Operational risk:** Failure to meet expected levels of generation output due to technical issues affecting performance of the plant. The Company has sought to mitigate this risk by the appointment of Arena Capital Partners Limited and subsequent to the sale of the company on the 29<sup>th</sup> June 2021, New Road Wind Limited, with responsibility for closely monitoring the performance of the plant, ensuring activities conducted by 3rd party contractors are completed in a timely fashion and, as required, contractual protections are enforced. The Company also has insurance policies in place that protect against generation loss in situations out of the Company's control.

**Price risk:** Some of the income generated by the Company is linked to power market prices and so in the unlikely event of a major structural shift in power prices due to reduced demand or excess energy supply, there could be an impact on the company's earnings. A rolling programme of PPA contract expiries has been implemented to mitigate risk, alongside the fact the company receives the remainder of its income from the government backed FIT regime.

**Covid 19 risk:** During the year there has been limited impact on the business and its activities. In order to minimise the risk of disruption to the wind plants, mitigating steps including executing safe remote working policies with key service providers and contractors, have been consistently reviewed by management. The Directors have continued to review the forecasts to ensure a true and fair reflection of the impact, if any, of Covid 19.

Management are continuously monitoring the impact of Covid 19 and do not expect a significant impact in the future. Refer to Note 2.2 for Covid impact on going concern.

#### **Results and dividends**

The loss for the period/year, after taxation, amounted to (£71,973) (2019 – (£4,018)).

No dividends were distributed in the period (2019 – Nil).

## **OAK RENEWABLES 2 LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2021**

#### **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 the directors have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities). 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 for the Company's financial statements and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- 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 to 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.

#### **Directors**

The directors who served during the period from 1 January 2020 up to the date of signing the Financial Statements were:

B V Corcoran (resigned 29 July 2021)  
T A Costello (resigned 3 June 2020)  
I D Greer (resigned 29 July 2021)  
N A Wood (appointed 29 July 2021)  
L Roberts (appointed 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 period and at the date of this report.

#### **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 auditors are 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 are aware of that information.

**OAK RENEWABLES 2 LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 30 JUNE 2021**

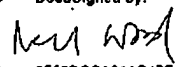
**Independent Auditor**

The auditor, KPMG Channel Islands Limited were appointed as auditor on 27 July 2021, have indicated their 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 report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:  
  
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**N A Wood**  
Director

Date: 8/26/2022

## **OAK RENEWABLES 2 LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK RENEWABLES 2 LIMITED**

#### **Our opinion**

We have audited the financial statements of Arena Wind Cullybackey Limited (the "Company"), which comprise the statement of financial position as at 30 June 2021, the statement of comprehensive income and retained earnings, for the period from 1 January 2020 to 30 June 2021, 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 2021 and of the Company's loss for the period from 1 January 2020 to 30 June 2021;
- are properly prepared in accordance with United Kingdom accounting standards, including Section 1A of 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.

#### **Other matter - prior period financial statements**

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

#### **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.

## OAK RENEWABLES 2 LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK RENEWABLES 2 LIMITED (CONTINUED)

#### **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:

- 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, 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. 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.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

##### **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.



## **OAK RENEWABLES 2 LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK RENEWABLES 2 LIMITED (CONTINUED)**

*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.

#### **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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

**OAK RENEWABLES 2 LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK RENEWABLES 2 LIMITED  
(CONTINUED)**

**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).

**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.



**Rachid Frihmat (Senior Statutory Auditor)**

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

Chartered Accountants

Guernsey

Date:

26 August 2022

## OAK RENEWABLES 2 LIMITED

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS  
FOR THE PERIOD ENDED 30 JUNE 2021

	Note	Jun 2021 £	Dec 2019 Unaudited £
Turnover		869,052	14,306
<b>Gross profit</b>		<b>869,052</b>	<b>14,306</b>
Administrative expenses		(578,963)	(7,345)
<b>Operating profit</b>		<b>290,089</b>	<b>6,961</b>
Interest payable and similar expenses	7	(208,550)	(10,979)
<b>Profit/(loss) before tax</b>		<b>81,539</b>	<b>(4,018)</b>
Tax on profit		(153,512)	-
<b>Total comprehensive (loss) and (loss) for the period/year</b>		<b>(71,973)</b>	<b>(4,018)</b>
Retained earnings at the beginning of the period/year		(4,018)	-
		(4,018)	-
Profit/(loss) for the period/year		(71,973)	(4,018)
<b>Retained earnings at the end of the period/year</b>		<b>(75,991)</b>	<b>(4,018)</b>

There were no recognised gains and losses for the current and prior period other than those included in the statement of comprehensive income and retained earnings.

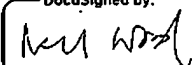
All amounts relate to continuing activities of the company

The notes on pages 10 to 19 form part of these financial statements.

**OAK RENEWABLES 2 LIMITED**  
**REGISTERED NUMBER: NI631499**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	2021 £	2019 Unaudited £
<b>Fixed assets</b>			
Tangible assets	9	4,402,323	1,811,803
		<u>4,402,323</u>	<u>1,811,803</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	290,059	22,456
Cash at bank and in hand	11	354,051	3
		<u>644,110</u>	<u>22,459</u>
Creditors: amounts falling due within one year	12	(4,968,909)	(21,651)
<b>Net current assets</b>		<u>(4,324,799)</u>	<u>808</u>
<b>Total assets less current liabilities</b>		<u>77,524</u>	<u>1,812,611</u>
Creditors: amounts falling due after more than one year	13	-	(1,816,626)
Provisions for liabilities	14	(153,512)	-
<b>Net Assets (Liabilities)</b>		<u>(75,988)</u>	<u>(4,015)</u>
<b>Capital and reserves</b>			
Called up share capital	15	3	3
Profit and loss account		(75,991)	(4,018)
		<u>(75,988)</u>	<u>(4,015)</u>

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

  
**N A Wood**  
 Director

The notes on pages 10 to 19 form part of these financial statements.

## **OAK RENEWABLES 2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021**

#### **1. General information**

Oak Renewables 2 Limited (the "Company") is a private company limited by shares, registered in Northern Ireland. The address of the registered office is The Soloist, 1 Lanyon Place, Belfast, BT1 3LP.

The prior period unaudited accounts have been presented for a year to 31 December 2019. On 27 August 2021, the Company's year end was changed to be in line with other companies in the group. The comparative amounts presented in these financial statements for the 18 month period ended 30 June 2021 are therefore not wholly comparable.

#### **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 Section 1A of FRS102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the requirements of the Companies Act 2006.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The company has taken advantage of the exemption as provided in paragraph 33.1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with group undertakings.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The Company's presentational and functional currency is GBP.

The preparation of financial statements in compliance with FRS 102 Section 1A 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).

## **OAK RENEWABLES 2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021**

The following principal accounting policies have been applied:

#### **2. Accounting policies (continued)**

##### **2.2 Going concern**

These accounts have been prepared on a going concern basis. 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, whilst the demand for electricity generation may decrease in the short term, the ability of the company to generate electricity will not be materially impacted. Importantly, as the company's revenues are derived from the sale of electricity, a fall in electricity demand has no impact on the majority of the company's revenues, as these are backed by government subsidies and limited impact on the remaining income as these are sold through power purchase agreements on a rolling fixed term basis. As such, the Directors do not expect a significant impact on revenue and cash flows of the entity. The company has in place risk mitigation plans in order to ensure, as far as possible, electricity generation from the plant is maintained. The company's key service providers have all successfully implemented remote working policies with contractors providing onsite operational technical support 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.

Should any unforeseen circumstances require additional funding; the Company has obtained written confirmation from its 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 Turnover**

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover refers to income from electricity generation, through owning and operating a ground mounted wind turbine, which provides turnover from the sale of electricity and the Feed in Tariff Certificates. Turnover is recognised as electricity is generated.

##### **2.4 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

## **OAK RENEWABLES 2 LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021**

#### **2. Accounting policies (continued)**

##### **2.4 Tangible fixed assets (continued)**

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.

Depreciation is provided on the following basis:

Plant and machinery	- 5% Straight line
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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 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 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 method.

## OAK RENEWABLES 2 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

#### 2. Accounting policies (continued)

##### 2.8 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

*Debt instruments (other than those wholly repayable or receivable within one year)*, including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income and retained earnings.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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.

Financial assets and liabilities are offset, and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### 2.9 Operating leases: the Company as lessee

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

##### 2.10 Finance costs

Finance costs are charged to Statement of Comprehensive Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



## OAK RENEWABLES 2 LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2021

#### 2.11 Taxation

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 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 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 reporting date.

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

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

a) Going concern - refer to note 2.2

b) Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

c) Accrued income is calculated on the actual electricity generated which is not able to be invoiced as it is yet to be validated by external parties or for various other reasons. Estimates are sometimes made with regards to price on portions of income or other certain aspects of the accrued income based on management's best information of the price at the time such as contracted prices or recent history of transactions.

d) 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.

e) An assessment of the possible impairment of assets takes place biannually, whereby the Directors calculate the fair value on a discounted cash flow basis in accordance with IPEV Valuation Guidelines. This value is then compared to that within the financial statements at which point, if there are signs of impairment, this is then accounted for.

## OAK RENEWABLES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2021

## 4. Turnover

All turnover arose within the United Kingdom.

## 5. Commitments under operating leases

At 30 June 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Jun 2021 £	Dec 2019 Unaudited £
Not later than 1 year	124,620	124,000
Later than 1 year and not later than 5 years	504,742	502,231
Later than 5 years	1,520,414	1,647,544
	<u>2,470,081</u>	<u>2,273,775</u>

## 6. Operating profit

The operating profit is stated after charging:

	Jun 2021 £	Dec 2019 Unaudited £
Depreciation of tangible fixed assets	293,529	3,399
Auditor's remuneration	4,500	-
	<u>298,029</u>	<u>3,399</u>

## 7. Interest payable and similar charges

	Jun 2021 £	Dec 2019 Unaudited £
Interest payable to group companies	208,550	-
Interest payable to group companies accrued	-	10,979
	<u>208,550</u>	<u>10,979</u>

## 8. Employees

The average monthly number of employees, including directors, during the period was 3 (2019 – 3)

## OAK RENEWABLES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2021

## 9. Tangible Fixed Assets

	Plant and machinery	Total
	£	£
<b>Cost</b>		
At 1 January 2020 (Unaudited)	1,815,202	1,815,202
Additions	2,884,049	2,884,049
	<hr/>	<hr/>
<b>At 30 June 2021</b>	<b>4,699,251</b>	<b>4,699,251</b>
	<hr/>	<hr/>
<b>Depreciation</b>		
At 1 January 2020 (Unaudited)	3,399	3,399
Charge for the financial period	293,529	293,529
	<hr/>	<hr/>
<b>At 30 June 2021</b>	<b>296,928</b>	<b>296,928</b>
	<hr/>	<hr/>
<b>Carrying amount</b>		
<b>At 30 June 2021</b>	<b>4,402,323</b>	<b>4,402,323</b>
	<hr/>	<hr/>
At 31 December 2019 (Unaudited)	1,811,803	1,811,803
	<hr/>	<hr/>

## OAK RENEWABLES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2021

## 10. Debtors: Amounts falling due within one year

	Jun 2021	Dec 2019 Unaudited
	£	£
Trade receivables	21,604	-
Taxation (Note 19)	-	2,013
Prepayments and accrued income	268,455	20,443
	<u>290,059</u>	<u>22,456</u>

## 11. Cash and cash equivalents

	Jun 2021	Dec 2019 Unaudited
	£	£
Cash at bank and in hand	354,051	3
	<u>354,051</u>	<u>3</u>

## 12. Creditors: Amounts falling due within one year

	Jun 2021	Dec 2019 Unaudited
	£	£
Trade creditors	20,025	18,445
Amounts owed to group undertakings	4,916,158	-
Taxation (Note 19)	652	-
Accruals and deferred income	32,074	3,206
	<u>4,968,909</u>	<u>21,651</u>

Amounts owed to group undertakings are repayable on demand and are interest free. These are confirmed annually by other group companies and no interest is accrued on these balances. The fair value is not materially different to the carrying value.

## OAK RENEWABLES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2021

## 13. Creditors: Amounts falling due after more than one year

	Jun 2021	Dec 2019 Unaudited
	£	£
Amounts owed to group undertakings	-	1,816,626
	<u>-</u>	<u>1,816,626</u>

Amounts owed to group undertakings due after more than one year are confirmed annually by other group companies that they will not be recalled within less than one year. As this is an annual process no interest is accrued and the fair value is not materially different to the book value.

## 14. Provision for Liabilities

	Jun 2021	Dec 2019
	£	£
The amounts provided for deferred taxation are analysed below:		
Capital Allowances	153,522	-
	<u>153,522</u>	<u>-</u>

## 15. Share capital

	Jun 2021	Dec 2019 Unaudited
	£	£
Allotted, called up and fully paid		
3 (2019 – 3) Called up Share Capital shares of £1.00 each	3	3
	<u>3</u>	<u>3</u>

## 16. Subsequent events

The share capital of the Company's parent company, Arena Capital Partners Limited was purchased by Arena Wind Holdings Limited after the year end. The share capital of Arena Wind Holdings Limited was purchased by New Road Wind Limited on 29 July 2021.

## 17. Controlling party

The company's immediate parent company is Arena Wind Holdings Limited (a company registered in the UK).

The ultimate controlling party by virtue of its shareholding is Bluefield Solar Income Fund Limited which is incorporated in Guernsey.

## OAK RENEWABLES 2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2021**18. Related party transactions**

The company has taken advantage of the exemption contained in Section 33 of FRS 102 "Related Party Disclosures" from disclosing transactions with the entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available.

**19. Taxation**

	Jun 21 £	Dec 19 £
<b>Receivables:</b>		
VAT	-	2,013
	<u>          </u>	<u>          </u>
<b>Payables:</b>		
VAT	652	-
	<u>          </u>	<u>          </u>