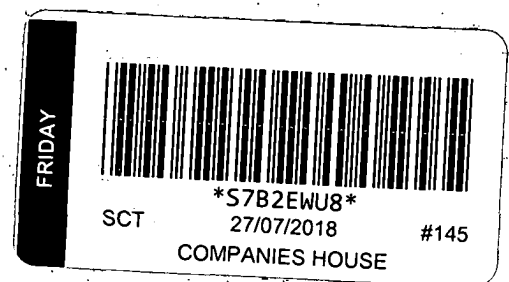


WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

COMPANY INFORMATION

Directors

Simon Richard Eaves
Simon John Foy (resigned 1 June 2018)
Gerald Joseph Friel
Keith Stephen Gains (resigned 31 March 2017)
Justyna Roza Golanska-Ryan
John William Breckenridge (appointed 31 March 2017, resigned 27 September 2017)
Dario Bertagna (appointed 27 September 2017)

Company secretary

Elizabeth Oldroyd

Registered number

SC312729

Registered office

13 Queens Road
Aberdeen
AB15 4YL

Trading Address

1030 Centre Park
Slutchers Lane
Warrington
Cheshire
WA1 1QL

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
No. 1 Spinningfields
Hardman Square
Manchester
M3 3EB

Bankers

Lloyds Bank
25 Gresham Street
London
EC2V 7HN

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

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WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the audited financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 applicable to small entities, as outlined in FRS 102 Section 1A small entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing 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 company will continue in business.

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

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

Directors

The directors who served during the year were:

Simon Richard Eaves
Simon John Foy (resigned 1 June 2018)
Gerald Joseph Friel
Keith Stephen Gains (resigned 31 March 2017)
Justyna Roza Golanska-Ryan
John William Breckenridge (appointed 31 March 2017, resigned 27 September 2017)
Dario Bertagna (appointed 27 September 2017)

Director indemnities

The directors and officers of the Company 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 Company.

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Disclosure of information to auditors

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 auditors are aware of that information.

Post balance sheet events

On 1 June 2018, Whiteside Hill WindFarm Holdings Limited sold its remaining 65% shareholding in Whiteside Hill WindFarm (Scotland) Limited to Norman 1985 for £12.550 million. Norman 1985 Limited now holds 100% of Whiteside Hill WindFarm (Scotland) Limited shares.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, 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 on 26 June 2018 and signed on its behalf.

DocuSigned by:



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Simon Richard Eaves
Director

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Whiteside Hill Windfarm (Scotland) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit 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" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; the Statement of Income and Retained Earnings 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 company 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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 on, 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

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITESIDE HILL WINDFARM
(SCOTLAND) LIMITED (CONTINUED)**

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.

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

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, 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 company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

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.

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WHITESIDE HILL WINDFARM
(SCOTLAND) LIMITED (CONTINUED)**

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 received 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Jonathan Studholme

Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
26 June 2018

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Administrative income/(expenses)		49	(25)
Operating profit/(loss)	4	<u>49</u>	<u>(25)</u>
Tax on profit/(loss)	6	(12)	7
Profit/(loss) after tax		<u>37</u>	<u>(18)</u>
Accumulated losses at the beginning of the year		(79)	(61)
		<u>(79)</u>	<u>(61)</u>
Profit/(loss) for the year		37	(18)
Accumulated losses at the end of the year		<u>(42)</u>	<u>(79)</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 8 to 17 form part of these financial statements.

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED
REGISTERED NUMBER: SC312729

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Tangible assets	7	46,628	28,611
		<u>46,628</u>	<u>28,611</u>
Current assets			
Debtors: amounts falling due within one year	8	1,775	417
Cash at bank and in hand	9	410	469
		<u>2,185</u>	<u>886</u>
Creditors: amounts falling due within one year	10	(917)	(908)
Net current assets/(liabilities)		<u>1,268</u>	<u>(22)</u>
Total assets less current liabilities		<u>47,896</u>	<u>28,589</u>
Creditors: amounts falling due after more than one year	11	(40,790)	(21,520)
Net assets		<u><u>7,106</u></u>	<u><u>7,069</u></u>
Capital and reserves			
Share premium account		7,148	7,148
Accumulated losses		(42)	(79)
Total equity		<u><u>7,106</u></u>	<u><u>7,069</u></u>

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 financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 June 2018.

DocuSigned by:



0AA9378E8CA446B
Simon Richard Eaves
Director

The notes on pages 8 to 17 form part of these financial statements.

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

Whiteside Hill Windfarm (Scotland) Limited ('the Company') is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is 13 Queens Road, Aberdeen, AB15 4YL.

The principal activity of the Company during the reporting period was the development and construction of a wind farm.

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 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 Section 1A requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3)

Future amendments to FRS 102 Section 1A:

There is no effect on the current period, prior period or future period.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Norman 1985 Limited as at 31 December 2017 and these financial statements may be obtained from Companies House.

2.3 Going concern

As the Company has net assets of £7.106 million (2016: £7.069 million) and profit for the year of £0.037 million (Year ended 31 December 2016: £0.018 million loss) the Directors have prepared the financial statements on a going concern basis. The Directors have received a letter of support from Capital Dynamics Clean Energy and Infrastructure LP and EFS UK Holdings Limited confirming ongoing financial support for at least 12 months from the approval of these financial statements.

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

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:

Assets under construction	- Not depreciated until operational
---------------------------	-------------------------------------

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.

2.5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.7 Financial instruments

The Company does not utilise derivative financial instruments. Non-derivative financial instruments comprise investments, trade and other debtors, cash and cash equivalents, loans and borrowings, trade and other creditors, and provisions. Non-derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, they are measured as described below:

Trade and other debtors 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.

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 comprehensive income over the period of the borrowings on an effective interest basis.

Trade and other creditors are carried at cost.

Accounting policies for borrowings are given reflected in section 2.12.

2.8 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.

2.9 Borrowing costs

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.

2.10 Finance costs

Finance costs of financial liabilities are recognised in the Statement of Income and Retained Earnings as they accrue, using the effective interest method.

Finance costs directly attributable to the construction of qualifying assets, which are assets that take a substantial time to get ready for intended use, are added to the cost of those assets, until such time those assets are substantially ready for use.

2.11 Foreign currencies

Foreign currency transactions are initially translated at the rate of exchange at the date of the transaction. At balance sheet date amounts payable and receivable in foreign currencies are translated at rates of exchange current at that date. Resulting exchange differences are recognised in the Statement of Income and Retained Earnings.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 operates and generates 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.

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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 period in which the estimates are revised and in any future periods affected. The most critical of these accounting judgments and estimates are explained below.

Impairment:

The group test annually whether intangible and tangible fixed assets have suffered any impairment. The recoverable amounts of cash-generating unit have been determined based on value in use calculations. These calculations require the use of estimates, which includes the following: generation outputs, pricing and operating costs.

4. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2017 £000	2016 £000
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	10	10
Exchange differences	(123)	-

During the year, no director received any emoluments (2016: £Nil).

5. Employee Information

The Company has no employees (2016: no employees). Asset management services were carried out on behalf of the Company through a long term agreement with Arevon Services Limited. Asset management costs in the year were £0.015 million (2016: £Nil).

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Tax on profit/(loss)

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	24	-
Total current tax	<u>24</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(14)	(8)
Changes to tax rates	2	1
Total deferred tax	<u>(12)</u>	<u>(7)</u>
Taxation on profit/(loss)	<u>12</u>	<u>(7)</u>

Factors affecting tax credit for the year/period

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
Profit/(loss) before tax	<u>49</u>	<u>(25)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	9	(5)
Effects of:		
Expenses not deductible for tax purposes	1	-
Deferred tax (provided)/ not provided	-	(2)
Tax rate changes	2	-
Total tax charge/(credit) for the year	<u>12</u>	<u>(7)</u>

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. Tax on profit/(loss) (continued)

Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were substantively enacted on 18 November 2015 and 6 September 2016 respectively. The deferred tax asset has been recognised at the substantively enacted rate of 17%.

The Company has recognised a deferred tax asset of £0.019 million (31 December 2016 recognised: £0.007 million) in respect of the carried forward losses, as the entity is expected to generate future profits.

7. Tangible assets

	Assets under construction £000
Cost	
At 1 January 2017	28,611
Additions	18,017
At 31 December 2017	<u>46,628</u>
Accumulated depreciation	
At 1 January 2017	-
Charge for the year on owned assets	-
At 31 December 2017	<u>-</u>
Net book value	
At 31 December 2017	<u>46,628</u>
At 31 December 2016	<u>28,611</u>

Included in the additions in the year is capitalised construction interest of £4.873 million which was charged at a rate of 15% (2016: £1.738 million).

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Debtors: Amounts falling due within one year

	2017 £000	2016 £000
Amounts owed by group undertakings	7	7
Other debtors	1,748	402
Prepayments and accrued income	1	1
Deferred taxation	19	7
	<u>1,775</u>	<u>417</u>

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

Trade debtors are stated after provisions for impairment of £Nil (2016: £Nil).

9. Cash at bank and in hand

	2017 £000	2016 £000
Cash at bank and in hand	410	469
	<u>410</u>	<u>469</u>

10. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	456	296
Retentions	277	493
Corporation tax	24	-
Accruals and deferred income	160	119
	<u>917</u>	<u>908</u>

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	2017 £000	2016 £000
Amounts owed to group undertakings	40,790	21,520
	<u>40,790</u>	<u>21,520</u>

Amounts owed to Norman 1985 Limited, relate to the unsecured loan notes. During the year £14.398 million loan notes were issued (2016: £18.019 million). Accrued interest at 31 December 2017 is £6.610 million (as at 31 December 2016: £1.737 million). The loan notes have an interest rate of 15% and a final repayment date of June 2028. There are no fixed repayment instalments.

12. Financial instruments

	2017 £000	2016 £000
Financial assets		
Financial assets measured at fair value through profit or loss	410	469
Financial assets that are debt instruments measured at amortised cost	1,755	409
	<u>2,165</u>	<u>878</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(41,407)	(21,933)
	<u>(41,407)</u>	<u>(21,933)</u>

13. Deferred taxation

	2017 £000	2016 £000
At beginning of year	7	-
Charged to profit or loss	12	7
At end of year	<u>19</u>	<u>7</u>

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

13. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Short term timing differences	19	7
	<u>19</u>	<u>7</u>

14. Called up share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
200 (2016: 200) Ordinary shares of £0.01 each	2	2
110 (2016: 110) Ordinary B shares of £0.01 each	1	1
	<u>3</u>	<u>3</u>

Ordinary shares hold 24% of the voting rights and are held by Whiteside Hill WindFarm Holdings Limited.

Ordinary B shares hold 76% of the voting rights and are held by Norman 1985 Limited.

There are no restrictions on the distribution of dividends and the repayment of capital on either class of shares.

15. Related party transactions

Amounts owed to Norman 1985 Limited, relate to the unsecured loan notes. During the year £14.398 million loan notes were issued (2016: £18.019 million). Accrued interest at 31 December 2017 is £6.610 million (as at 31 December 2016: £1.737 million).

Arevon Services Limited is related to the Company due to being under common control of the Directors. During the year Arevon Services Limited charged the company £0.015 million (2016: £Nil) in respect of asset management services. The amount outstanding as at 31 December 2017 is £Nil (2016: £Nil).

16. Controlling party

Norman 1985 Limited is the immediate parent company, by virtue of control and management.

Norman 1985 Limited is the largest and smallest parent undertaking to consolidate these financial statements at 31 December 2017. The consolidated financial statements of Norman 1985 Limited are available from 1030 Centre Park, Slutchers Lane, Warrington, Cheshire WA1 1QL.