Registered number: SC312729

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

COMPANY INFORMATION

Directors	Shamsul Azham Bin Mohd Isa (appointed 1 April 2022) Nur Atikah Paimin (appointed 1 April 2022) Dario Bertagna (resigned 1 April 2022) Helen Ruth Down (resigned 1 April 2022) Simon Richard Eaves (resigned 1 April 2022) Paul Kevin Hughes (resigned 1 April 2022) Kirsty Louise Usher (resigned 1 April 2022)
Registered number	SC312729
Registered office	13 Queens Road Aberdeen AB15 4YL
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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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the audited financial statements for Whiteside Hill Windfarm (Scotland) Limited (the 'Company') for the year ended 31 December 2022.

Principal activities

The principal activity of Whiteside Hill Windfarm (Scotland) Limited during the reporting year was the operation of a wind farm in Scotland with a capacity of 27MW. The wind farm was commissioned on 31 March 2018.

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 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" Section 1A, 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 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 Section 1A 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 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.

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.

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 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 company's auditors are aware of that information.

Directors' 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.

Change in ownership

On 1 April 2022, Clean Energy and Infrastrucutre UK Limited and all of its subsidiaries were acquired by Vantage RE Ltd. On the same day Clean Energy and Infrastructure UK Wind 2 Limited acquired the remaining 50% share in Norman 1985 Limited which is now a fully owned subsidiary of Clean Energy and Infrastructure UK Limited.

Directors

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

Shamsul Azham Bin Mohd Isa
Nur Atikah Paimin

Going concern

The Directors have prepared the financial statements on a going concern basis.

The Company has net current assets of £9.307 million (2021: £8.416 million) and net liabilities of £1.285 million (2021: £2.508 million), and has made a profit in the current year of £1.223 million (2021: loss £1.849 million).

The key risks to the financial performance of the Company are summarised below:

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

• Volume/Generation - the volume all comes from wind turbines. 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 Company has a PPA with a tier 1 offtaker, who have continued to pay to terms during the pandemic.

• Operating Costs - the Company's 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 the 2023 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.

Management has considered the potential impact of a severe but plausible scenario on the business (and its ability to continue as a going concern) under various scenarios. As a result of this detailed assessment the Directors have concluded that the Company is able to meet its obligations when they fall due for a period of at least 12 months from the date of approval of the financial statements. The Directors have also received a letter of support from Norman 1985 Limited confirming ongoing support for at least 12 months from the date of approval of these financial statements. 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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 28 June 2023 and signed on its behalf.

Shamsul Azham Bin Mohd Isa
Director

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 2022 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, including 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 have audited the financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2022; 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 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.

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

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

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.

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 2022 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 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 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.

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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to health and safety regulations and OFGEM regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. 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 increase revenue or reduce expenditure, 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 where applicable, 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.

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 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.

Daniel Wilbourn

Daniel Wilbourn (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
28 June 2023

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	**13,625**	*9,981*
Cost of sales		**(4,662)**	*(4,194)*
Gross profit		**8,963**	*5,787*
Administrative expenses		**(82)**	*(55)*
Other operating income	5	**202**	*-*
Operating profit	6	**9,083**	*5,732*
Interest payable and similar expenses	8	**(7,390)**	*(7,597)*
Profit/(loss) before tax		**1,693**	*(1,865)*
Tax on profit/(loss)	9	**(470)**	*16*
Profit/(loss) after tax		**1,223**	*(1,849)*
Accumulated losses at the beginning of the year		**(9,656)**	*(7,807)*
Profit/(loss) for the year		**1,223**	*(1,849)*
Accumulated losses at the end of the year		**(8,433)**	*(9,656)*

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings

The notes on pages 9 to 22 form part of these financial statements.

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED
REGISTERED NUMBER: SC312729

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Tangible assets	10		**39,548**		*42,135*
			39,548		*42,135*
Current assets					
Debtors: amounts falling due after more than one year	11	**46**		*384*	
Debtors: amounts falling due within one year	11	**7,011**		*5,723*	
Cash at bank and in hand	12	**4,282**		*3,439*	
		11,339		*9,546*	
Creditors: amounts falling due within one year	13	**(2,032)**		*(1,130)*	
Net current assets			**9,307**		*8,416*
Total assets less current liabilities			**48,855**		*50,551*
Creditors: amounts falling due after more than one year	14		**(48,738)**		*(51,757)*
Provisions for liabilities					
Deferred taxation	15	**(1,010)**		*(918)*	
Other provisions	16	**(392)**		*(384)*	
			(1,402)		*(1,302)*
Net liabilities			**(1,285)**		*(2,508)*
Capital and reserves					
Share premium account			**7,148**		*7,148*
Accumulated losses			**(8,433)**		*(9,656)*
Total equity			**(1,285)**		*(2,508)*

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
28 June 2023

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Shamsul Azham Bin Mohd Isa
Director

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 year was the operation 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 year, prior year or future year.

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 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 11.42, 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.

This information is included in the consolidated financial statements of Norman 1985 Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

2. Accounting policies (continued)

2.3 Going concern

The Directors have prepared the financial statements on a going concern basis.

The Company has net current assets of £9.307 million (2021: £8.416 million) and net liabilities of £1.285 million (2021: £2.508 million), and has made a profit in the current year of £1.223 million (2021: loss £1.849 million)

The key risks to the financial performance of the Company are summarised below:

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

• Volume/Generation - the volume all comes from wind turbines. 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 Company has a PPA with a tier 1 offtaker, who have continued to pay to terms during the pandemic.

• Operating Costs - the Company's 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 the 2023 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.

Management has considered the potential impact of a severe but plausible scenario on the business (and its ability to continue as a going concern) under various scenarios. As a result of this detailed assessment the Directors have concluded that the Company is able to meet its obligations when they fall due for a period of at least 12 months from the date of approval of the financial statements. The Directors have also received a letter of support from Norman 1985 Limited confirming ongoing support for at least 12 months from the date of approval of these financial statements. For this reason they continue to adopt the going concern basis for preparing the interim financial statements.

2.4 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. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 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.

2.8 Finance costs

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

2.9 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 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.

2. Accounting policies (continued)

2.10 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. Recoverable amount 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.

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:

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 profit or loss.

2.11 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.

2.12 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. Accounting policies (continued)

2.13 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.

2.14 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.

2.15 Provisions for liabilities

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that economic resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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. The increase in the provision due to the passage of time is recognised as a finance cost.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.17 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.

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 periods affected. The most critical of these accounting judgments and estimates are explained below.

Impairment of assets:

The Company assesses annually whether tangible fixed assets have suffered any impairment triggers, in the current year none of which have been identified. If impairment triggers had been identified, the recoverable amounts of the cash generating unit would have been determined based on the higher of fair value less costs to sell and value in use models.

Decommissioning provisions:

Decommissioning provisions are measured at the present value of 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. This estimate is based on current market assessments of the time value of money and the risks specific to the liability.

4. Turnover

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

	2022	*2021*
	£000	*£000*
Sale of electricity	**13,625**	*9,981*
	13,625	*9,981*

All turnover arose within the United Kingdom.

5. Other operating income

	2022 £000	2021 £000
Other operating income	58	-
Insurance claims receivable	144	-
	202	-

Other operating income relates to temporary site access agreements. Insurance claims receivable relate to compensation for a T1 generator issue.

6. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Other operating lease rentals	221	207
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	11	9
Depreciation of tangible fixed assets	2,587	2,587

During the year, no director received any emoluments for their services to the Company (2021: £Nil).

Non-audit services were £Nil (2021: £Nil).

7. Employees

All asset management services were carried out on behalf of the Company through a long term asset management agreement with Netro Energy Limited, with costs for the year of £0.117 million (2021: £0.109 million).

The average monthly number of employees, including directors, during the year was 0 *(2021 - 0)*.

8. Interest payable and similar expenses

	2022 £000	2021 £000
Loans from group undertakings	7,382	7,590
Other interest payable	8	7
	7,390	7,597

9. Tax on profit/(loss)

	2022 **£000**	*2021* *£000*
Corporation tax		
Current tax on profits for the year	**378**	*(900)*
	378	*(900)*
Total current tax	**378**	*(900)*
Deferred tax		
Origination and reversal of timing differences	**70**	*664*
Changes to tax rates	**22**	*220*
Total deferred tax	**92**	*884*
Taxation on profit/(loss)	**470**	*(16)*

Factors affecting tax charge/(credit) for the year

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

	2022 **£000**	*2021* *£000*
Profit/(loss) before tax	**1,692**	*(1,865)*
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**321**	*(354)*
Effects of:		
Expenses not deductible for tax purposes	**127**	*117*
Benefit of deferred tax previously not recognised	**-**	*1*
Tax rate changes	**22**	*220*
Total tax charge/(credit) for the year	**470**	*(16)*

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

Factors that may affect future tax charges

The standard rate of corporation tax applied to reported loss is 19.0% (2021: 19.0%).

Deferred tax should be measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. In May 2021, the UK government substantively enacted an increase in corporation tax to 25% effective from 1 April 2023. As the entity's year end date falls after the date of this substantive enactment they are required to determine which gross deferred tax balances will unwind before 1 April 2023 and which will unwind after said date. In practice, as the effective corporation tax rate for the year ended 31 December 2023 will be 23.5%, any amounts expected to reverse in that period should be recognised at that rate.

10. Tangible assets

	Plant and machinery £000
Cost	
At 1 January 2022	**51,828**
At 31 December 2022	**51,828**
Accumulated depreciation	
At 1 January 2022	**9,693**
Charge for the year on owned assets	**2,587**
At 31 December 2022	**12,280**
Net book value	
At 31 December 2022	**39,548**
At 31 December 2021	*42,135*

Included in the cost brought forward is capitalised construction interest of £8.893 million which was charged at a rate of 15% (2021: £8.893 million).

11. Debtors

	2022 £000	2021 £000
Amounts falling due after more than one year		
Other debtors	**46**	*384*
	46	*384*

Other debtors due after more than one year relates to a decommissioning bond of £Nil (2021: £0.338 million) and National Grid contingency of £0.046 million (2021: £0.046 million).

	2022 £000	2021 £000
Amounts falling due within one year		
Trade debtors	**-**	*67*
Amounts owed by group undertakings	**1,810**	*1,810*
Prepayments and accrued income	**5,201**	*3,846*
	7,011	*5,723*

Trade debtors are stated after provision for impairment of £NIL (2021 - £NIL).

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

12. Cash at bank and in hand

	2022 £000	2021 £000
Cash at bank and in hand	**4,282**	*3,439*
	4,282	*3,439*

13. Creditors: Amounts falling due within one year

	2022 £000	*2021 £000*
Trade creditors	**47**	*146*
Amounts owed to group undertakings	**278**	-
Corporation tax	**100**	-
Other taxation and social security	**873**	*473*
Accruals and deferred income	**734**	*511*
	2,032	*1,130*

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

	2022 £000	*2021 £000*
Amounts owed to group undertakings	**47,324**	*50,250*
Other creditors	**1,414**	*1,507*
	48,738	*51,757*

Amounts owed to group undertakings relate to the unsecured loan notes. 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 (2021: £Nil) loan notes were issued, £Nil (2021: £0.377 million) principal was repaid and £10.308 million (2021: £6.972 million) interest was repaid. Interest of £7.382 million (2021: £7.590 million) has been charged to the Statement of Income and Retained Earnings. The amount owed to Norman 1985 Limited at 31 December 2022 includes unpaid interest of £9.992 million (2021: £12.918 million).

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

15. Deferred taxation

	2022 £000	*2021* *£000*
At beginning of year	(918)	*(34)*
Charged to profit or loss	(92)	*(884)*
At end of year	**(1,010)**	*(918)*

The provision for deferred taxation is made up as follows:

	2022 £000	*2021* *£000*
Fixed asset timing differences	(4,329)	*(4,237)*
Short term timing differences	2,807	*2,807*
Short term timing differences - non trading	512	*512*
	(1,010)	*(918)*

16. Other provisions

	Decommissioning provision £000
At 1 January 2022	384
Charged to profit or loss	8
At 31 December 2022	392

Upon closure of the wind farm, the Company has a requirement to dismantle and clean up the facility sites. 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.

17. Called up share capital

	2022	2021
	£	*£*
Allotted, called up and fully paid		
200 *(2021 - 200)* Ordinary shares of £0.01 each	**2**	*2*
110 *(2021 - 110)* Ordinary B shares of £0.01 each	**1**	*1*
	3	*3*

Ordinary shares hold 24% of the voting rights and are held by Norman 1985 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.

18. Commitments under operating leases

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

	2022	2021
	£000	*£000*
Not later than 1 year	**228**	*209*
Later than 1 year and not later than 5 years	**911**	*834*
Later than 5 years	**4,332**	*4,180*
	5,471	*5,223*

19. Related party transactions

The Company has taken advantage of the exemption in paragraph 33.1A of Financial Reporting Standard 102 and has not disclosed details of transactions with fellow wholly owned undertakings.

Netro Energy Limited was related to the Company due to being under common control of the directors for the period 1 January 2022 to 31 March 2022, up to the sale to Vantage RE Limited. Netro Energy Limited charged the Company £0.117 million (2021: £0.109 million) in respect of asset management services. The amount outstanding as at 31 December 2022 is £Nil (2021: £Nil).

20. Controlling party

The ultimate controlling parent undertaking is Tenaga Nasional Berhad, a company incorporated in Malaysia, whose registered office is Pejabat Setiausaha Syarikat, Tingkat 16, Tower A, TNB Platinum, No. 3, Jalan Bukit Pantat, Bangsar Kuala Lumpa, Wilayah Persekutuan, Malaysia.

The immediate parent undertaking is Norman 1985 Limited, which in turn is a 100% subsidiary of Clean Energy and Infrastructure UK Wind 2 Limtied, which is a 100% subsidiary of Clean Energy and Infrastructure UK Limited.

The largest group of which the Company is a member for which group financial statements are drawn up is Tenaga Nasional Berhad. Copies of these group financial statements are available from Pejabat Setiausaha Syarikat, Tingkat 16, Tower A, TNB Platinum, No. 3, Jalan Bukit Pantat, Bangsar Kuala Lumpa, Wilayah Persekutuan, Malaysia, and Norman 1985 Limited is the smallest parent undertaking to consolidate these financial statements at 31 December 2022. The consolidated financial statements of Clean Energy and Infrastructure UK Limited and Norman 1985 Limited are available from Ibis House Ground Floor, Ibis Court, Centre Park, Warrington, WA1 1RL.