Registered number: SC312729

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED

COMPANY INFORMATION

Directors	Simon Richard Eaves Dario Bertagna Kirsty Louise Usher Helen Ruth Down Paul Kevin Hughes
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

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the audited financial statements for Whiteside Hill Windfarm (Scotland) Limited (the 'Company') for the year ended 31 December 2020.

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

The directors who served during the year were:

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

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.

Going concern

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

The Company has net current assets of £6.257 million (2019: £7.509 million) and net liabilities of £0.659 million (2019: net assets of £2.685 million), and has made a loss in the current year of £3.344 million (2019: £2.432 million).

As a direct consequence of COVID-19 and in light of these inherent uncertainties, management has considered the potential impact of a severe but plausible downside scenario for COVID-19 on the business (and its ability to continue as a going concern) under various scenarios, including:

• 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; COVID-19 does not impact the fuel source (wind). 100% of the electricity generated is sold directly to the offtaker as part of the Power Purchase Agreement 'PPA' between the generator and the offtaker. The 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 2020 budget.

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

As a result of this detailed assessment, and with reference to the Company's balance sheet, but also acknowledging the inherent uncertainty of the current economic outlook, 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 after the date of this report. The Directors have 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 2020

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 29 June 2021 and signed on its behalf.

DocuSigned by:

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Kirsty Louise Usher
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 2020 and of its loss 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 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 2020; 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 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 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the 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 UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to 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, in particular any journal entries posted with unusual account combinations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgments made by management in their significant accounting estimates.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the 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 (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
29 June 2021

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

	Note	2020 £000	*2019 £000*
Turnover	4	**7,667**	*8,864*
Cost of sales		**(4,189)**	*(4,098)*
Gross profit		**3,478**	*4,766*
Administrative expenses		**(129)**	*(155)*
Other operating income	5	**78**	*-*
Operating profit	6	**3,427**	*4,611*
Interest receivable and similar income		**1**	*-*
Interest payable and similar expenses	8	**(7,424)**	*(7,305)*
Loss before tax		**(3,996)**	*(2,694)*
Tax on loss	9	**652**	*262*
Loss after tax		**(3,344)**	*(2,432)*
Accumulated losses at the beginning of the year		**(4,463)**	*(2,031)*
Loss for the year		**(3,344)**	*(2,432)*
Accumulated losses at the end of the year		**(7,807)**	*(4,463)*

There were no recognised gains and losses for the year ended 31 December 2020 or the year ended 31 December 2019 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 24 form part of these financial statements.

WHITESIDE HILL WINDFARM (SCOTLAND) LIMITED
REGISTERED NUMBER: SC312729

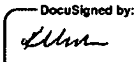
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £000		*2019 £000*
Fixed assets					
Tangible assets	10		**44,722**		*47,123*
			44,722		*47,123*
Current assets					
Debtors: amounts falling due after more than one year	11	**384**		*384*	
Debtors: amounts falling due within one year	11	**4,466**		*3,655*	
Cash at bank and in hand	12	**2,953**		*5,630*	
		7,803		*9,669*	
Creditors: amounts falling due within one year	13	**(1,546)**		*(2,160)*	
Net current assets			**6,257**		*7,509*
Total assets less current liabilities			**50,979**		*54,632*
Creditors: amounts falling due after more than one year	14		**(51,228)**		*(51,716)*
Provisions for liabilities					
Deferred taxation	15	**(34)**		-	
Other provisions	16	**(376)**		*(231)*	
			(410)		*(231)*
Net (liabilities)/assets			**(659)**		*2,685*
Capital and reserves					
Share premium account			**7,148**		*7,148*
Accumulated losses			**(7,807)**		*(4,463)*
Total equity			**(659)**		*2,685*

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 29 June 2021.

DocuSigned by:



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Kirsty Louise Usher
Director

The notes on pages 9 to 24 form part of these financial statements.

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

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 2020 and these financial statements may be obtained from Companies House.

2. Accounting policies (continued)

2.3 Going concern

The Company has net current assets of £6.257 million (2019: £7.509 million) and net liabilities of £0.659 million (2019: net assets of £2.685 million), and has made a loss in the current year of £3.344 million (2019: £2.432 million).

As a direct consequence of COVID-19 and in light of these inherent uncertainties, management has considered the potential impact of a severe but plausible downside scenario for COVID-19 on the business (and its ability to continue as a going concern) under various scenarios, including:

• 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; COVID-19 does not impact the fuel source (wind). 100% of the electricity generated is sold directly to the offtaker as part of the Power Purchase Agreement 'PPA' between the generator and the offtaker. The 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 2020 budget.

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

As a result of this detailed assessment, and with reference to the Company's balance sheet, but also acknowledging the inherent uncertainty of the current economic outlook, 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 after the date of this report. The Directors have 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 the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.6 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings 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 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.

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 the Statement of Income and Retained Earnings.

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.

Please see note 20 for details of the accounting treatment of a change in accounting estimate in the year.

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 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, operating costs and discount rate.

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. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

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

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

4. Turnover

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

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

All turnover arose within the United Kingdom.

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

5. Other operating income

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

Insurance claims receivable relate to compensation for a T9 gearbox outage.

6. Operating profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Other operating lease rentals	204	198
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	9	6
Depreciation of tangible fixed assets	2,597	2,580

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

Non-audit services were £Nil (2019: £Nil).

7. Employees

All asset management services were carried out on behalf of the Company through a long term service agreement with CD Arevon UK Limited, with asset management services costs for the year of £0.143 million (2019: £0.101 million).

The average monthly number of employees, including directors, during the year was 0 *(2019 - 0)*.

8. Interest payable and similar expenses

	2020 £000	2019 £000
Loans from group undertakings	7,423	7,294
Other interest payable	1	11
	7,424	7,305

9. Tax on loss

	2020 £000	*2019 £000*
Corporation tax		
UK corporation tax on profits for the year	**(805)**	*(72)*
Adjustment in respect of previous periods	**-**	*(5)*
Total current tax	**(805)**	*(77)*
Deferred tax		
Origination and reversal of timing differences	**167**	*(317)*
Changes to tax rates	**(14)**	*33*
Adjustment in respect of previous periods	**-**	*99*
Total deferred tax	**153**	*(185)*
Taxation on loss on ordinary activities	**(652)**	*(262)*

Factors affecting tax credit for the year

The tax assessed for the year is higher than *(2019 - higher than)* the standard rate of corporation tax in the UK of 19% *(2019 - 19%)*. The differences are explained below:

	2020 £000	*2019 £000*
Loss on ordinary activities before tax	**(3,996)**	*(2,694)*
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	**(759)**	*(512)*
Effects of:		
Expenses not deductible for tax purposes	**121**	*121*
Adjustment to tax charge in respect of previous periods	**-**	*94*
Benefit of deferred tax previously not recognised	**-**	*2*
Tax rate changes	**(14)**	*33*
Total tax credit for the year	**(652)**	*(262)*

9. Tax on loss (continued)

Factors that may affect future tax charges

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

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, if the 25% tax rate had been used at the balance sheet date, the deferred tax asset would increase by £0.010 million.

10. Tangible assets

	Plant and machinery £000
Cost	
At 1 January 2020	**51,632**
Additions	**52**
Revaluations	**144**
At 31 December 2020	**51,828**
Accumulated depreciation	
At 1 January 2020	**4,509**
Charge for the year on owned assets	**2,597**
At 31 December 2020	**7,106**
Net book value	
At 31 December 2020	**44,722**
At 31 December 2019	*47,123*

10. Tangible assets (continued)

Included in the cost brought forward is capitalised construction interest of £6.421 million which was charged at a rate of 15% (2019: £6.421 million).

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

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

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

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

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

11. Debtors

	2020	*2019*
	£000	*£000*
Due after more than one year		
Other debtors	**384**	*384*
	384	*384*

Other debtors due after more than one year relates to a decommissioning bond of £0.338 million (2019 £0.338 million) and National Grid contingency of £0.046 million (2019: £0.046 million).

	2020	*2019*
	£000	*£000*
Due within one year		
Trade debtors	**943**	*409*
Amounts owed by group undertakings	**910**	*79*
Prepayments and accrued income	**2,613**	*3,048*
Deferred taxation	**-**	*119*
	4,466	*3,655*

11. Debtors (continued)

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

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

12. Cash at bank and in hand

	2020 £000	*2019* *£000*
Cash at bank and in hand	2,953	*5,630*
	2,953	*5,630*

13. Creditors: Amounts falling due within one year

	2020 £000	*2019* *£000*
Trade creditors	132	*21*
Other taxation and social security	468	*918*
Other creditors	-	*500*
Accruals and deferred income	946	*721*
	1,546	*2,160*

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

	2020 £000	2019 £000
Amounts owed to group undertakings	50,009	50,426
Other creditors	1,219	1,290
	51,228	51,716

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 (2019: £1.937 million) loan notes were issued, £1.375 million (2019: £Nil) principal was repaid and £6.465 million (2019: £6.660 million) interest was repaid. Interest of £7.423 million (2019: £7.294 million) has been charged to the Statement of Income and Retained Earnings. The amount owed to Norman 1985 Limited at 31 December 2020 includes unpaid interest of £12.300 million (2019: £11.341 million).

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

	2020 £000	*2019 £000*
At beginning of year	119	*(66)*
Charged to profit or loss	(153)	*185*
At end of year	**(34)**	*119*

The deferred taxation balance is made up as follows:

	2020 £000	*2019 £000*
Tax losses carried forward	561	*584*
Fixed asset timing differences	(3,062)	*(2,487)*
Short term timing differences	2,078	*1,674*
Short term timing differences - non trading	389	*348*
	(34)	*119*

16. Other provisions

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

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

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

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

The effect of the change of discount and inflation rates in the current year are as follows: Decommissioning asset cost has been increased by £0.144 million and accumulated depreciation increased by £0.015 million with a corresponding debit to the Statement of Income and Retained Earnings.

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

17. Called up share capital

	2020 £	*2019* *£*
Allotted, called up and fully paid		
200 *(2019 - 200)* Ordinary shares of £0.01 each	2	*2*
110 *(2019 - 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 under non-cancellable operating leases as follows:

	2020 £000	*2019* *£000*
Not later than 1 year	205	*200*
Later than 1 year and not later than 5 years	820	*798*
Later than 5 years	4,317	*4,406*
	5,342	*5,404*

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.

CD Arevon UK Limited is related to the Company due to being under common control of the directors. CD Arevon UK Limited charged the Company £0.143 million (2019: £0.101 million) in respect of asset management services. The amount outstanding as at 31 December 2020 is £Nil (2019: £Nil).

20. Change in accounting estimates

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

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

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

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

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

21. Controlling party

The immediate parent undertaking is Norman 1985 Limited (100% ownership). The ultimate parent undertakings are Capital Dynamics Clean Energy and Infrastructure LP (50% ownership) and Capital Dynamics CEI WSH LP (50% ownership).

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

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

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

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