

Crossdykes WF Limited

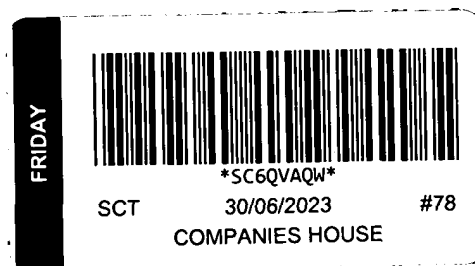
Directors' Report and Unaudited

Financial Statements

Year Ended

30 September 2022

Company Number SC424921



Crossdykes WF Limited

Company Information

Directors	Peter Dias Ian Dunn Chris Gaydon
Registered number	SC424921
Registered office	C/O Brodies LLP Capital Square 58 Morrison Street Edinburgh EH3 8BP
Accountants	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD

Crossdykes WF Limited

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Crossdykes WF Limited

Directors' report For the year ended 30 September 2022

The directors present their report and the financial statements for the year ended 30 September 2022.

Principal activity

The principal activity was the operation of a wind farm for production of electricity.

Director

The director who served during the year was:

Chris Walker (resigned 2 November 2022)

The directors appointed after the year end were:

Peter Dias (appointed 2 November 2022)

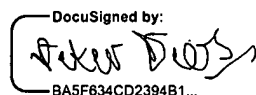
Ian Dunn (appointed 2 November 2022)

Chris Gaydon (appointed 2 November 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 29-Jun-23 and signed on its behalf.

DocuSigned by:

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Peter Dias
Director

Crossdykes WF Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited financial statements of Crossdykes WF Limited for the year ended 30 September 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Crossdykes WF Limited for the year ended 30 September 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

It is your duty to ensure that Crossdykes WF Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Crossdykes WF Limited. You consider that Crossdykes WF Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Crossdykes WF Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

This report is made solely to the board of directors of Crossdykes WF Limited, as a body, in accordance with the terms of our engagement letter dated 12 June 2023. Our work has been undertaken solely to prepare for your approval the financial statements of Crossdykes WF Limited and state those matters that we have agreed to state to the board of directors of Crossdykes WF Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Crossdykes WF Limited and its board of directors as a body for our work or for this report.

BDO WF

BDO LLP
Chartered Accountants
Edinburgh
United Kingdom

29 June 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Crossdykes WF Limited

Statement of comprehensive income For the year ended 30 September 2022

		2022 £	2021 £
Turnover	4	14,126,737	1,938,027
Cost of sales		(2,882,998)	(869,099)
Gross profit		11,243,739	1,068,928
Administrative expenses		(2,759,587)	(430,467)
Other operating charges		-	(17,298)
Operating profit	5	8,484,152	621,163
Interest receivable and similar income	7	1,257	2
Interest payable and similar expenses	8	(2,127,543)	(441,878)
Profit before tax		6,357,866	179,287
Profit for the financial year		6,357,866	179,287

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

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 7 to 14 form part of these financial statements.

Crossdykes WF Limited

Registered number: SC424921

Balance sheet As at 30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	10	41,235,215	42,859,772
		<u>41,235,215</u>	<u>42,859,772</u>
Current assets			
Debtors: amounts falling due within one year	11	3,436,596	934,441
Cash at bank and in hand	12	7,001,546	4,978,781
		<u>10,438,142</u>	<u>5,913,222</u>
Creditors: amounts falling due within one year	13	(7,755,902)	(10,052,696)
Net current assets/(liabilities)		<u>2,682,240</u>	<u>(4,139,474)</u>
Total assets less current liabilities		<u>43,917,455</u>	<u>38,720,298</u>
Creditors: amounts falling due after more than one year	14	(37,823,413)	(38,984,122)
Net assets/(liabilities)		<u><u>6,094,042</u></u>	<u><u>(263,824)</u></u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	6,093,942	(263,924)
		<u><u>6,094,042</u></u>	<u><u>(263,824)</u></u>

Crossdykes WF Limited

Registered number: SC424921

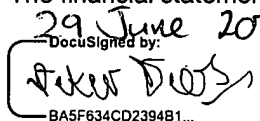
Balance sheet (continued) As at 30 September 2022

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 2023
DocuSigned by:


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Peter Dias
Director

The notes on pages 7 to 14 form part of these financial statements.

Crossdykes WF Limited

Statement of changes in equity For the year ended 30 September 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2020	100	(443,211)	(443,111)
Comprehensive income for the year			
Profit for the year	-	179,287	179,287
At 1 October 2021	100	(263,924)	(263,824)
Comprehensive income for the year			
Profit for the year	-	6,357,866	6,357,866
At 30 September 2022	100	6,093,942	6,094,042

The notes on pages 7 to 14 form part of these financial statements.

Crossdykes WF Limited

Notes to the financial statements For the year ended 30 September 2022

1. General information

Crossdykes WF Limited is a company incorporated in Scotland under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's principal activities is set out in the director's report.

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 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).

The following principal accounting policies have been applied:

2.2 Going concern

The company made a profit of £6,357,866 (2021 - £179,287). At the balance sheet date, the company had net current assets of £2,682,240 (2021 - £4,139,474 net current liabilities) and net assets of £6,094,042 (2021 - £263,824 net liabilities).

These financial statements have been prepared on a going concern basis following confirmation that the company's creditors will continue to financially support the company for the foreseeable future. Having established this support, the directors believe that the going concern basis is appropriate and accordingly the financial statements do not include any adjustments that would arise should the support of the creditors be withdrawn.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of energy supplied under contract during the year, exclusive of value added tax and trade discounts. Revenue is recognised as power is generated.

2.4 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.5 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

Crossdykes WF Limited

Notes to the financial statements For the year ended 30 September 2022

2. Accounting policies (continued)

2.7 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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.

2.8 Tangible fixed assets

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

During the construction phase of the wind farm, the interest incurred on borrowed capital up to the date commercial production commenced for each key production component was capitalised. Interest capitalised and included in tangible fixed assets at the balance sheet date was £1,613,006 (2021 - £1,613,006).

Depreciation is provided on the following basis:

Plant & Machinery - 4%
Windfarm - 4%

2.9 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.

2.10 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.

2.11 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.

Crossdykes WF Limited

Notes to the financial statements For the year ended 30 September 2022

2. Accounting policies (continued)

2.12 Financial instruments

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

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

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

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

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

2.13 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Crossdykes WF Limited

Notes to the financial statements For the year ended 30 September 2022

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

In the application of the company's accounting policies, which are described in note 2, the director is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements the director has made the following judgments:

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the variety and expected future performance of that unit.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Exchange differences	-	17,298
Tangible fixed assets - depreciation (see note 10)	1,736,173	432,927
	<u>1,736,173</u>	<u>415,629</u>

6. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £NIL).

7. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>1,257</u>	<u>2</u>

Crossdykes WF Limited

Notes to the financial statements For the year ended 30 September 2022

8. Interest payable and similar expenses

	2022 £	2021 £
Bank interest payable	2,127,543	441,083
Other interest payable	-	795
	<u>2,127,543</u>	<u>441,878</u>

9. Taxation

	2022 £	2021 £
Current tax on profits for the year	-	-

Factors affecting tax charge for the year

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK of 19% (2021 - 19%).

Factors that may affect future tax charges

There is a proposed increase in corporation tax to 25% from 1 April 2023 for companies where taxable profits exceed £250,000.

Crossdykes WF Limited

Notes to the financial statements For the year ended 30 September 2022

10. Tangible fixed assets

	Plant and machinery £	Windfarm £	Total £
Cost or valuation			
At 1 October 2021	158,365	43,134,334	43,292,699
Additions	19,562	98,449	118,011
Disposals	-	(6,395)	(6,395)
At 30 September 2022	<u>177,927</u>	<u>43,226,388</u>	<u>43,404,315</u>
Depreciation			
At 1 October 2021	1,584	431,343	432,927
Charge for the year on owned assets	7,117	1,729,056	1,736,173
At 30 September 2022	<u>8,701</u>	<u>2,160,399</u>	<u>2,169,100</u>
Net book value			
At 30 September 2022	<u>169,226</u>	<u>41,065,989</u>	<u>41,235,215</u>
At 30 September 2021	<u>156,781</u>	<u>42,702,991</u>	<u>42,859,772</u>

11. Debtors

	2022 £	2021 £
Trade debtors	1,505,459	6,542
Other debtors	246,713	553,747
Prepayments and accrued income	1,684,424	374,152
	<u>3,436,596</u>	<u>934,441</u>

12. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>7,001,546</u>	<u>4,978,781</u>

Crossdykes WF Limited

Notes to the financial statements For the year ended 30 September 2022

13. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	1,303,505	1,368,587
Trade creditors	2,862,139	2,585,412
Amounts owed to related parties	-	2,586,085
Other creditors	2,503,445	2,812,860
Accruals and deferred income	1,086,813	699,752
	<u>7,755,902</u>	<u>10,052,696</u>

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

	2022 £	2021 £
Bank loans	<u>37,823,413</u>	<u>38,984,122</u>

The loan accrues interest at a variable rate based on the Bank of England base rate plus a margin, and the repayment date is 30 June 2026. The loan is secured by a fixed and floating charge covering all property and undertakings of the company.

15. Loans

Analysis of the maturity of bank loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	1,303,505	1,368,587
Amounts falling due 1-2 years		
Bank loans	1,397,532	1,446,301
Amounts falling due 2-5 years		
Bank loans	36,425,881	37,537,821
	<u>39,126,918</u>	<u>40,352,709</u>

Crossdykes WF Limited

Notes to the financial statements For the year ended 30 September 2022

16. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
475 (2021 - 500) A ordinary shares of £0.1 each	47.5	50.0
475 (2021 - 500) B ordinary shares of £0.1 each	47.5	50.0
50 (2021 - 0) C ordinary shares of £0.1 each	5.0	-
	<u>100.0</u>	<u>100.0</u>

17. Reserves

Profit and loss account

The profit and loss account comprises of the cumulative profit and loss trading results less any dividends distributed to shareholders.

18. Controlling party

The immediate parent company is Ori Jv Holdings 5 Holdco Limited. The company is ultimately controlled by Octopus Renewables Infrastructure Trust Plc.