

Company Registration number  
(England and Wales)  
04956455

SCOUT MOOR WIND FARM LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS

Year Ended  
31 December 2017



**SCOUT MOOR WIND FARM LIMITED**  
**Annual report and financial statements**  
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**SCOUT MOOR WIND FARM LIMITED**  
**Company Information**

**Directors**

Barbara Saller (resigned 28 February 2017)  
Ian Gentles  
Nils Klatt (resigned 19 April 2018)  
Achim Stegner (resigned 28 February 2017)  
Stefan Holzmaier (appointed 19 April 2018)

**Secretary**

Derek Henderson

**Auditor**

KPMG LLP  
Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR

**Bankers**

Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

**Registered office**

c/o Great Lakes Reinsurance (UK) SE  
Plantation Place  
30 Fenchurch Street  
London  
EC3M 3AJ

**Registered number**

04956455

## **SCOUT MOOR WIND FARM LIMITED**

**Registered number: 04956455**

### **Strategic Report**

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

#### **Principal activity**

The principal activity of the company is to operate the Scout Moor Wind Farm.

#### **Business Review**

The Directors were satisfied with the performance of Scout Moor Wind Farm and the results of the Company for the year. Electricity income generated by the wind turbines at Scout Moor Wind Farm for the year was £12.76 million (year ended 31 December 2016 : £12.14 million).

Profit before tax for the year was £6.24 million (year ended 31 December 2016 : £4.52 million). Average wind speed for the year was 7.4 m/s (year ended 31 December 2016 : 7.14 m/s).

Future income is dependent upon output of electricity. Management monitor and seek to maximise the key performance indicators of turbine availability and site availability.

The Directors do not consider it necessary to detail any key performance indicators for the purposes of this report other than those detailed within these financial statements.

#### **Risks and Uncertainties**

The principal aim of the company is to maximise long term results whilst minimising risks. The directors have appointed a management team to ensure that key risks are clearly identified and to establish systems and processes to manage and mitigate those risks. The directors consider the following to be the major risks affecting the company:

- Interest rates;
- Wind resource;
- Technological or mechanical failure;
- Electricity prices; and
- Ability to provide electricity generation services.

Risks are mitigated by the use of an interest rate swap, insurance policies, and by entering into management services and maintenance contracts for on-going wind farm monitoring and servicing.

#### **Going concern**

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in Note 1 of the financial statements.

This report was approved by the board on 10 May 2018 and signed on its behalf.



**Stefan Holzmaier**  
Director



**Ian Gentles**  
Director

## **SCOUT MOOR WIND FARM LIMITED**

**Registered number: 04956455**

### **Directors' Report**

The directors present their annual report and financial statements for the year ended 31 December 2017. The company has elected to adopt FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Please see note 1 to the accounts for details.

### **Results and dividends**

The Company made a profit for the year to 31 December 2017 of £4.8million (December 2016 : £3.3 million).

Dividends of £2,200,000 were paid in the year (31 December 2016: £3,850,000).

### **Directors**

The following persons served as directors during the year:

Barbara Saller (resigned 28 February 2017)

Ian Gentles

Nils Klatt (resigned 19 April 2018)

Achim Stegner (resigned 28 February 2017)

Stefan Holzmaier (appointed 19 April 2018)

The directors who held office at 31 December 2017 had no interest in the shares in, or debentures or loan stock of the company or group companies.

### **Political donations**

The company made no political donation or incurred any political expenditure during the year (2016 £nil).

### **Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he/she is aware, there is no relevant audit information of which the company's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

### **Strategic report**

The principal activities of the Company, a business review, principle risks and uncertainties of the Company and risk management objectives and policies have not been included in this report as they are disclosed in the Strategic Report.

This report was approved by the board on 10 May 2018 and signed on its behalf.



**Stefan Holzmaier**

Director

c/o Great Lakes Reinsurance (UK) SE

Plantation Place

30 Fenchurch Street

London

EC3M 3AJ



**Ian Gentles**

Director

## **SCOUT MOOR WIND FARM LIMITED**

### **Statement of directors' responsibilities in respect of the Annual Report, the Strategic Report, the Directors' Report and the Financial Statements**

The directors are responsible for preparing the Annual Report, the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **Independent auditor's report to the member of SCOUT MOOR WIND FARM LIMITED**

### **Opinion**

We have audited the financial statements of Scout Moor Wind Farm Limited ("the company") for the year ended 31 December 2017 which comprise the Balance Sheet, the Profit and Loss Account, the Statement of Other Comprehensive Income, the Statement of Changes in Equity, and related notes, including the accounting policies from page 10.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

### **Other information**

The directors are responsible for the other information, which comprises the strategic report, and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

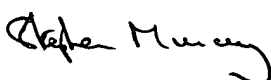
### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Stephen Muncey (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
**Chartered Accountants**

Botanic House  
100 Hills Road  
Cambridge  
CB2 1AR  
10/05/2018



**SCOUT MOOR WIND FARM LIMITED**  
**Profit and Loss Account and Other Comprehensive Income**  
**for the year ended 31 December 2017**

	Notes	2017 £	2016 £
<b>Turnover</b>	2	12,762,290	12,144,042
Cost of sales		(2,937,535)	(2,996,840)
<b>Gross profit</b>		<u>9,824,755</u>	<u>9,147,202</u>
Administrative expenses	3	(3,242,805)	(3,582,565)
Other operating income		33,500	78,222
<b>Operating profit</b>		<u>6,615,450</u>	<u>5,642,859</u>
Interest receivable	4	881,534	365,075
Interest payable	5	(1,258,767)	(1,485,272)
<b>Profit before taxation</b>		<u>6,238,217</u>	<u>4,522,662</u>
Tax on profit	6	(1,428,587)	(1,198,107)
<b>Profit after taxation</b>		<u>4,809,630</u>	<u>3,324,555</u>
Other comprehensive income for the year		-	-
<b>Total comprehensive income for the year</b>		<u>4,809,630</u>	<u>3,324,555</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

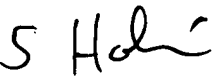
The accompanying notes on pages 10 to 17 are an integral part of the financial statements.

**SCOUT MOOR WIND FARM LIMITED**  
**Registered number: 04956455**  
**Balance Sheet**  
**as at 31 December 2017**

	Notes	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	7	46,495,298	49,386,197
<b>Current assets</b>			
Debtors	8	3,638,344	3,045,941
Cash at bank and in hand		4,534,383	3,683,080
		<u>8,172,727</u>	<u>6,729,021</u>
<b>Creditors: amounts falling due within one year</b>	9	(6,669,502)	(5,926,484)
<b>Net current assets</b>		<u>1,503,225</u>	<u>802,537</u>
<b>Total assets less current liabilities</b>		<u>47,998,523</u>	<u>50,188,734</u>
<b>Creditors: amounts falling due after more than one year</b>	10	(13,888,140)	(18,655,840)
<b>Provisions for liabilities</b>	13	(3,613,850)	(3,645,991)
<b>Net assets</b>		<u>30,496,533</u>	<u>27,886,903</u>
<b>Capital and reserves</b>			
Called up share capital	14	1,400,002	1,400,002
Profit and loss account		29,096,531	26,486,901
<b>Shareholder's funds</b>		<u>30,496,533</u>	<u>27,886,903</u>

The accompanying notes on pages 10 to 17 are an integral part of the financial statements.

These financial statements were approved by the board of directors on 10 May 2018 and were signed on its behalf by:

5   
**Stefan Holzmaier**  
 Director

  
**Ian Gentles**  
 Director

**SCOUT MOOR WIND FARM LIMITED**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2017**

	<b>Called up Share capital £</b>	<b>Profit and loss account £</b>	<b>Total Equity £</b>
<b>At 1 January 2016</b>	1,400,002	27,012,346	28,412,348
<b>Total comprehensive income for the period</b>			
Profit for the financial year	-	3,324,555	3,324,555
Dividends	-	(3,850,000)	(3,850,000)
<b>At 31 December 2016</b>	<u>1,400,002</u>	<u>26,486,901</u>	<u>27,886,903</u>
<b>At 1 January 2017</b>	1,400,002	26,486,901	27,886,903
<b>Total comprehensive income for the period</b>			
Profit for the financial year	-	4,809,630	4,809,630
<b>Transactions with owners, recorded directly in equity</b>			
Dividends	-	(2,200,000)	(2,200,000)
<b>At 31 December 2017</b>	<u>1,400,002</u>	<u>29,096,531</u>	<u>30,496,533</u>

The accompanying notes on pages 10 to 17 are an integral part of the financial statements.

**SCOUT MOOR WIND FARM LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2017**

**1 Accounting policies**

***Accounting convention and basis of preparation***

SCOUT MOOR WIND FARM LIMITED (the "Company") is a private company incorporated, domiciled and registered in England in the UK. The registered number is 04956455 and the registered address is c/o Great Lakes Reinsurance (UK) SE, Plantation Place, 30 Fenchurch Street, London, EC3M 3AJ.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments.

The Company's ultimate parent undertaking, Münchener Rückversicherungsgesellschaft AG includes the Company in its consolidated financial statements. The consolidated financial statements of Münchener Rückversicherungsgesellschaft AG are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from Königinstrasse 107, 80802 Munich, Germany. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

***Going concern***

As detailed in note 11 the company has a debt of £16.6 million as at 31 December 2017, which is provided through a secured facility. The £16.6 million is due for repayment in staged payments through to December 2022. To date there have been no breaches in the covenants relating to the company's facilities.

The company's cash flow forecasts do not project any breaches of covenants. However whilst the company has a sound business model based on long term electricity sales contracts, there remain a number of uncertainties which may affect the company's ability to remain within the covenants for its banking facilities. A summary of risks is included within the Strategic report and the company has a good track record of managing such uncertainties. Having considered these factors the Directors are confident that the company is well placed to manage its business risks satisfactorily.

Accordingly, based on the above and the understanding of the company's long term forecasts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and therefore they continue to adopt the going concern basis in preparing the annual report and accounts.

***Basic financial instruments***

***Trade and other debtors / creditors***

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

***Interest-bearing borrowings classified as basic financial instruments***

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**SCOUT MOOR WIND FARM LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2017**

**1 Accounting policies (continued)**

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

*Financial instruments not considered to be Basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

*Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The Company has entered into an interest rate swap agreement. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

***Tangible fixed assets and depreciation***

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The company assesses at each reporting date whether tangible fixed assets are impaired.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Wind farm assets - 25 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

***Provisions***

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

***Expenses***

*Operating Leases*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred.

*Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable, finance expenses on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**SCOUT MOOR WIND FARM LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2017**

**1 Accounting policies (continued)**

***Turnover***

Turnover is recognised on supply of electricity generated by the wind farm.

Turnover is exclusive of Value Added Tax and consists of sales of renewable energy, together with revenue earned under the Renewable Obligation regime from the sale of Renewable Obligation Certificates ("ROCs"), and recycled Renewable Obligation Certificates ("Recycled ROCs").

***Taxation***

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**SCOUT MOOR WIND FARM LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2017**

<b>2 Turnover</b>	<b>2017 £</b>	<b>2016 £</b>
Generation of electricity	<u>12,762,290</u>	<u>12,144,042</u>

The turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

<b>3 Expenses and auditor's remuneration</b>	<b>2017 £</b>	<b>2016 £</b>
<i>Auditor's remuneration:</i>		
Audit of these financial statements	7,400	7,411
Taxation services	853	2,670
Depreciation of owned tangible fixed assets	<u>2,890,899</u>	<u>2,890,882</u>
	<u>2,899,152</u>	<u>2,900,963</u>

<b>4 Other interest receivable and similar income</b>	<b>2017 £</b>	<b>2016 £</b>
Net gain on financial liabilities measured at fair value through profit and loss	877,799	358,644
Bank interest receivable	<u>3,735</u>	<u>6,431</u>
	<u>881,534</u>	<u>365,075</u>

<b>5 Interest payable and similar charges</b>	<b>2017 £</b>	<b>2016 £</b>
Interest payable on financial liabilities at amortised cost	1,255,820	1,485,272
Other interest payable	<u>2,947</u>	<u>-</u>
	<u>1,258,767</u>	<u>1,485,272</u>

**SCOUT MOOR WIND FARM LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2017**

<b>6 Taxation</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>Current year UK tax</i>		
Current tax on income for the year	1,387,541	1,030,625
Adjustments in respect of prior periods	73,187	35,969
<b>Total current tax charge</b>	<b>1,460,728</b>	<b>1,066,594</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(31,340)	86,564
Adjustments in respect of prior periods	(801)	49,277
Rate change	-	(4,328)
<b>Deferred tax charge / (credit)</b>	<b>(32,141)</b>	<b>131,513</b>
<b>Total tax charge for the year</b>	<b>1,428,587</b>	<b>1,198,107</b>

	<b>2017</b>		<b>2016</b>	
	Current tax	Deferred tax	Current tax	Deferred tax
Recognised in Profit and loss account	1,460,728	(32,141)	1,066,594	131,513
<b>Total tax charge / (credit)</b>	<b>1,460,728</b>	<b>(32,141)</b>	<b>1,066,594</b>	<b>131,513</b>

<b>Reconciliation of effective tax rate</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Profit for the year	4,809,630	3,324,555
Total tax expense	1,428,587	1,198,107
Profit excluding taxation	<b>6,238,217</b>	<b>4,522,662</b>
Tax using UK corporation tax rate of 19.25% (2016: 20%)	1,200,857	904,532
Non-deductible expenses	228,531	248,626
Adjustments to tax in respect of previous periods	(801)	49,277
Rate change on closing balances	-	(4,328)
<b>Total tax expense included in profit and loss</b>	<b>1,428,587</b>	<b>1,198,107</b>

*Factors affecting future tax charges:*

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

The amount of net deferred tax expected to unwind in the year beginning after the reporting period cannot be estimated with certainty. The calculation of deferred tax has been prepared based on a reasonableness estimation of when the timing difference will unwind with reference to the future tax rates substantively enacted at the balance sheet date.



**SCOUT MOOR WIND FARM LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2017**

**7 Tangible fixed assets**

	<b>Wind farm £</b>
<b>Cost</b>	
At 1 January 2017	71,993,948
At 31 December 2017	<u>71,993,948</u>
<b>Depreciation</b>	
At 1 January 2017	22,607,751
Charge for the year	<u>2,890,899</u>
At 31 December 2017	<u>25,498,650</u>
<b>Net book value</b>	
At 31 December 2017	<u>46,495,298</u>
At 31 December 2016	<u>49,386,197</u>

**8 Debtors**

	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	525,689	-
Prepayments	427,990	422,566
Accrued income	2,588,217	2,558,375
Deposits held	65,000	65,000
Other debtors	31,448	-
	<u>3,638,344</u>	<u>3,045,941</u>

**9 Creditors: amounts falling due within one year**

	<b>2017 £</b>	<b>2016 £</b>
Bank loans and overdrafts	3,960,703	3,740,590
Trade creditors	26,388	95,403
Amounts owed to group undertakings	504,297	1,106,804
Accruals	232,882	186,165
Other financial liabilities	395,294	466,096
Taxation and social security costs	1,005,383	197,029
Other creditors	544,555	134,397
	<u>6,669,502</u>	<u>5,926,484</u>

**10 Creditors: amounts falling due after one year**

	<b>2017 £</b>	<b>2016 £</b>
Bank loans	12,628,101	16,588,804
Other financial liabilities	1,260,039	2,067,036
	<u>13,888,140</u>	<u>18,655,840</u>

**SCOUT MOOR WIND FARM LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2017**

<b>11 Interest-bearing loans and borrowings</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Secured bank loans		
Due within 1 year	3,960,703	3,740,590
Due within 1-2 years	4,175,535	3,960,703
Due within 2-5 years	8,452,566	11,958,683
Due after more than 5 years	-	669,418
	<u>16,588,804</u>	<u>20,329,394</u>

The Barclays bank loan is secured by a legal charge on Scout Moor Wind Farm and bears interest at LIBOR plus an applicable margin of 1.20% per annum. The loan currency is sterling, has a maturity date of 31 December 2022, and a 6-monthly repayment schedule.

<b>12 Other financial liabilities</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due after more than one year</b>		
Interest rate swap measured at fair value through profit and loss	1,260,039	2,067,036
<b>Amounts falling due within one year</b>		
Interest rate swap measured at fair value through profit and loss	395,294	466,096
	<u>1,655,333</u>	<u>2,533,132</u>

The financial liability measured at fair value through profit and loss is an interest rate swap instrument which contracts the company to make fixed payments at a rate of 5.128% and receive floating interest LIBOR based receipts. It covers £16,588,804 of the Barclays bank loan borrowings and has a maturity date of December 2022.

<b>13 Deferred tax assets and liabilities</b>	<b>Assets</b>		<b>Liabilities</b>		<b>Net</b>	
	<b>31-Dec-17</b>	<b>31-Dec-16</b>	<b>31-Dec-17</b>	<b>31-Dec-16</b>	<b>31-Dec-17</b>	<b>31-Dec-16</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	-	-	3,632,575	3,707,633	3,632,575	3,707,633
Capitalised interest	-	-	498,785	529,798	498,785	529,798
Other	(517,510)	(591,440)	-	-	(517,510)	(591,440)
Total tax	<u>(517,510)</u>	<u>(591,440)</u>	<u>4,131,360</u>	<u>4,237,431</u>	<u>3,613,850</u>	<u>3,645,991</u>

The deferred tax liability in relation to accelerated capital allowances and capitalised interest is expected to reverse over the next 17 years in line with the remaining tangible fixed asset life.

<b>14 Capital and reserves</b>	<b>2017</b>	<b>2016</b>
<b>Share capital</b>	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
1,400,002 Ordinary shares of £1 each	1,400,002	1,400,002
Shares classified in capital and reserves	<u>1,400,002</u>	<u>1,400,002</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**SCOUT MOOR WIND FARM LIMITED**  
**Notes to the financial statements**  
**for the year ended 31 December 2017**

<b>15 Financial Instruments</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<i>The carrying amount of financial liabilities include:</i>		
Interest rate swap measured at fair value through profit and loss	1,655,333	2,533,132
Loan commitments measured at cost less impairment	16,588,804	20,329,394
	<u>18,244,137</u>	<u>22,862,526</u>

<b>16 Operating Leases</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Minimum lease payments falling due:</b>		
Within 1 year	191,088	145,131
Within 2-5 years	764,352	580,524
After 5 years	<u>2,217,559</u>	<u>2,222,303</u>
	<u>3,172,999</u>	<u>2,947,958</u>

The company has financial commitments under non-cancellable operating leases for land rentals (30 year terms expiring December 2036). The land rentals payable are the higher of the minimum annual lease payments and a variable rent linked to the level of future income from electricity generation. The detailed conditions are not disclosed for reasons of commercial sensitivity.

**17 Employees**

There were no employees during the year or prior period apart from the directors. No director received any remuneration for their services to the company (year ended 31 December 2016: £nil).

**18 Related parties**

*Identity of related parties with which the Company has transacted*

The Company's immediate parent company is Scout Moor Holdings (No 2) Ltd, a company incorporated in England and Wales. A shareholder loan agreement is in place between the Company and its immediate parent. The ultimate controlling party is Münchener Rückversicherungsgesellschaft AG which has a 100% ownership through the group structure.

The company has taken advantage of the exemptions conferred by Section 33.1A of FRS 102 and has not disclosed related party transactions for wholly owned companies within the group.

**19 Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of Münchener Rückversicherungsgesellschaft AG, which is the ultimate parent company incorporated in Germany.

The largest and smallest group in which the results of the Company are consolidated is that headed by Münchener Rückversicherungsgesellschaft AG. The consolidated financial statements of this group are available to the public and may be obtained from Königinstrasse 107, 80802 Munich, Germany.

**20 Non adjusting events after the financial period**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.