

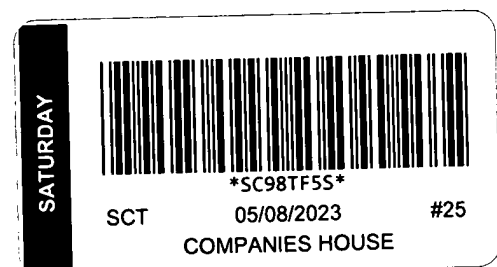


# Scout Moor Wind Farm Limited

Annual report and financial statements

31 December 2022

Registered number 04956455



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## Company information

### Directors

David Durukan (appointed 01 April 2022)  
Stefan Holzmair (resigned 01 April 2022)  
Ian Gentles

### Secretary

Morgan Harris (appointed 01 August 2022)  
Natasha Kumar (resigned 01 August 2022)

### Auditors

Ernst & Young LLP ('EY')  
25 Churchill Place  
Canary Wharf  
London  
E14 5EY

### Bankers

Barclays plc

### Registered office

c/o Great Lakes Insurance SE UK Branch  
10 Fenchurch Avenue  
London  
England  
EC3M 5BN

### Registered number

04956455

## Strategic Report

The Directors present their annual report and financial statements for the year ended 31 December 2022.

### Principal activity

The principal activity of Scout Moor Wind Farm Limited (the "Company") during the year was the production of electricity from wind turbines at the wind farm known as Scout Moor Wind Farm. Scout Moor Wind Farm is located in Rochdale, England.

### Business Review

Electricity income generated by the wind turbines at Scout Moor Wind Farm for the year was £20.9 million (2021: £12.1 million). The profit before tax for the year was £14.3 million (2021: £5.9 million).

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:

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

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

### Going concern

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient fund to meet its liabilities as they fall due for that period and therefore have prepared the financial statements on a going concern basis.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

This report was approved by the board on 28 July 2023 and signed on its behalf.



David Durukan  
Director  
28 July 2023



Ian Gentles  
Director  
28 July 2023

## Directors' report

The Directors present their annual report and financial statements for the year ended 31 December 2022.

### Results and dividends

The Company made a profit for the year of £11.5 million (2021: £3.5 million).

A dividend of £14.0 million was payable in respect of the year (2021: £6.2 million).

### Directors

The Directors who held office during the year and subsequently were as follows:

David Durukan (appointed 01 April 2022)

Stefan Holzmaier (resigned 01 April 2022)

Ian Gentles

The Directors who held office at 31 December 2022 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 (2021: £nil).

### Directors' Indemnity

During the period under review, the shareholder as employers of the officers of the Company had in place indemnity provisions in favour of their respective Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006.

### Disclosure of information to auditors

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

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

### Auditor

EY has signified its willingness to continue in office as the independent auditor to the Company and it is the Company's intention to reappoint EY for a further year.

### Strategic report

The principal activities of the Company, a business review, principal 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 28 July 2023 and signed on its behalf.



David Durukan  
Director  
28 July 2023



Ian Gentles  
Director  
28 July 2023

c/o Great Lakes Insurance SE UK Branch  
10 Fenchurch Avenue  
London  
England  
EC3M 5BN

## Statement of Directors' responsibilities in respect of the annual report and the financial statements

The Directors are responsible for preparing 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Independent auditor's report to the members 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 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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.

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 twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required

to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors 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.

#### **Auditor's 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 auditor's 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.



#### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

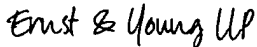
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are direct laws and regulations, related to the financial reporting framework (UK GAAP and Companies Act 2006), and the relevant direct and indirect tax compliance regulation in the United Kingdom.
- We understood how the company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the company. In assessing the effectiveness of the control environment, we also reviewed significant correspondence between the company and regulatory bodies, reviewed the minutes of the Board to identify any non-compliance with laws and regulations and gained an understanding of the company's approach to governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering controls that the company has established to address risks identified by the company, or that otherwise seek to prevent and deter or detect fraud. We tested manual journals, including segregation of duties, and sample tested transactions to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions. These procedures were designed to provide reasonable assurance that the financial statements were materially free from fraud or error.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

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.

DocuSigned by:  
  
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Angus Millar (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

28 July 2023

**Profit and Loss Account and Other Comprehensive Income**  
for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	2	20,943,468	12,140,360
Cost of Sales		(3,469,268)	(3,190,433)
Gross profit		17,474,200	8,949,927
Administrative expenses	3	(3,125,154)	(3,143,750)
Other operating income		-	41,667
Operating profit		14,349,046	5,847,844
Interest payable and similar charges	4	(21,454)	15,170
Profit before taxation		14,327,592	5,863,014
Tax on profit	5	(2,859,567)	(2,358,163)
Profit for the financial year		11,468,025	3,504,851
Total comprehensive income for the year		11,468,025	3,504,851

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

There were no recognised gains or losses for the year other than the results reported above.

The accompanying notes on pages 11 to 22 are an integral part of the financial statements.

**Balance Sheet**  
As at 31 December 2022

	Note	2022	2021
		£	£
<b>Fixed assets</b>			
Tangible assets	6	32,492,798	36,071,411
<b>Current assets</b>			
Debtors	7	4,419,679	3,424,294
Cash at bank and in hand	8	2,784,899	2,776,223
		7,204,578	6,200,517
Creditors: amounts falling due within one year	9	(1,798,142)	(987,567)
Net current assets		5,406,436	5,212,950
Total assets less current liabilities		37,899,234	41,284,361
Provisions for liabilities	13	(5,410,082)	(6,277,234)
Net assets		32,489,152	35,007,127
<b>Capital and reserves</b>			
Called up share capital	12	1,400,002	1,400,002
Profit and loss account		31,089,150	33,607,125
Shareholder's funds		32,489,152	35,007,127

The accompanying notes on pages 11 to 22 are an integral part of the financial statements.

These financial statements were approved by the board of Directors on 28 July 2023 and were signed on its behalf by:



David Durukan  
Director  
28 July 2023



Ian Gentles  
Director  
28 July 2023

Company registered number: 04956455

## Statement of Changes in Equity

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 01 January 2021	1,400,002	36,302,274	37,702,276
Total comprehensive income for the period			
Profit for the financial year	-	3,504,851	3,504,851
Transactions with owners, recorded directly in equity			
Dividends		(6,200,000)	(6,200,000)
Balance at 31 December 2021	1,400,002	33,607,125	35,007,127
Balance at 01 January 2022	1,400,002	33,607,125	35,007,127
Total comprehensive income for the period			
Profit for the financial year	-	11,468,025	11,468,025
Transactions with owners, recorded directly in equity			
Dividends	-	(13,986,000)	(13,986,000)
Balance at 31 December 2022	1,400,002	31,089,150	32,489,152

The accompanying notes on pages 11 to 22 are an integral part of the financial statements.

## Notes

(forming part of the financial statements)

### 1 Accounting Policies

Scout Moor Wind Farm Limited (the "Company") is a private company limited by shares incorporated, domiciled and registered in the UK. The registered number is 04956455 and the registered address is C/O Great Lakes Insurance SE UK Branch, 10 Fenchurch Avenue, London, EC3M 5BN.

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"). The presentation currency of these financial statements is Sterling, which is the Company's functional currency. All amounts in the financial statements have been rounded to the nearest £1, unless otherwise stated.

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.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis except when stated otherwise.

#### 1.2 Going concern

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient fund to meet its liabilities as they fall due for that period and therefore have prepared the financial statements on a going concern basis.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction.

#### 1.4 Basic financial instruments

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

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. After 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 instrument for a similar debt instrument.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

#### 1.5 Other financial instruments

##### *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.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. This includes the cost of decommissioning the asset at the end of its life and bringing the land back to its original condition upon commencement. The decommissioning cost recognised is calculated after inflating the estimated present value cost of decommissioning at an inflation rate of 2.7% (2021: 2.5%) and discounting that amount at a finance cost of 4.1% (2021: 0.9%). 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, for example land is treated separately from buildings.

All leases are classified as operating leases.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

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. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Plant and machinery 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.

#### 1.7 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.

Provisions for decommissioning and restoration costs of the wind turbine site are measured on the basis of current requirements, technology and price levels; the present value is calculated using amounts discounted over the useful economic life of the assets. The liability is recognised (together with a corresponding amount as part of the related property, plant and equipment) once an obligation crystallises in the period when a reasonable estimate can be made. The effects of changes resulting from revisions to the timing or the amount of the original estimate of the provision are reflected on a prospective basis, generally by adjustment to the carrying amount of the related property, plant and equipment.

#### 1.8 Turnover

Turnover is recognised on supply of electricity generated by the wind farm, monthly in arrears. 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"). Other operating income primarily comprises of sums receivable for warranty/insurance claims and penalties levied against suppliers for failing to meet contractual obligations.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Expenses

##### *Operating lease*

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 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.

#### 1.10 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 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.



## Notes (continued)

### 2 Turnover

	2022 £	2021 £
Generation of electricity	20,943,468	12,140,360

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

### 3 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2022 £	2021 £
Depreciation of owned tangible fixed assets	2,930,038	2,930,038

Auditor's remuneration:

Audit of these financial statements	7,780	6,946
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Notes (continued)

4 Interest payable and similar charges

	2022 £	2021 £
Interest payable on financial liabilities at amortised cost	704	(35,346)
Unwind of discount on provisions	20,750	20,176
	<u>21,454</u>	<u>(15,170)</u>

5 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2022 £	2021 £
<i>Current tax</i>		
Current tax on income for the period	3,098,893	1,468,461
Adjustments in respect of prior periods	-	20,000
Total current tax	<u>3,098,893</u>	<u>1,488,461</u>
<i>Deferred tax</i>		
Non-deductible expenses	-	-
Prior year adjustment	24,522	-
Origination and reversal of timing differences	(183,243)	(213,899)
Change in tax rate	(80,605)	1,083,601
Total deferred tax	<u>(239,326)</u>	<u>869,702</u>
Total tax	<u>2,859,567</u>	<u>2,358,163</u>

	2022			2021		
	£	£	£	£	£	£
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	3,098,567	(239,326)	2,859,567	1,488,461	869,702	2,358,163
Total tax	<u>3,098,567</u>	<u>(239,326)</u>	<u>2,859,567</u>	<u>1,488,461</u>	<u>869,702</u>	<u>2,358,163</u>

Notes (continued)

5 Taxation (continued)

Reconciliation of effective tax rate

	2022 £	2021 £
Profit for the year	11,468,025	3,504,851
Total tax expense	<u>2,859,567</u>	<u>2,358,163</u>
Profit excluding taxation	14,327,592	5,863,014
Tax using the UK corporation tax rate of 19% (2021: 19%)	2,722,242	1,113,973
Prior year adjustment	24,522	-
Non-deductible expenses	193,408	160,589
Rate change	<u>(80,605)</u>	<u>1,083,601</u>
Total tax expense included in profit or loss	2,859,567	2,358,163

Factors affecting future tax charges:

During the year, the tax rate used was 19%, as a result of the change in the UK main corporation tax rate to 19% which was effective from 1 April 2017.

The UK government has announced its intention to increase the main rate of corporation tax to 25% from 19% with effect from 1st April 2023. This change was enacted on 10th June 2021. As this increased rate was enacted at the balance sheet date, deferred tax has therefore been calculated at a rate of 25%.

Notes (continued)

6 Tangible fixed assets

	Plant and Equipment £
<b>Cost</b>	
Balance at 1 January 2022	73,946,591
Balance at 31 December 2022	73,298,016
<b>Depreciation and impairment</b>	
Balance at 1 January 2022	(37,875,180)
Depreciation charge for the year	(2,930,038)
Balance at 31 December 2022	(40,805,218)
<b>Net book value</b>	
At 1 January 2022	36,071,411
At 31 December 2022	32,492,798

7 Debtors

	2022 £	2021 £
Trade debtors	490,007	369,619
Prepayments	441,180	419,311
Accrued income	3,423,492	2,513,742
Amounts due from group undertakings	-	56,622
Deposits held	65,000	65,000
	<u>4,419,679</u>	<u>3,424,294</u>

Amount due from group undertakings relates to group tax relief asset balance due from Münchener Rückversicherungsgesellschaft AG.

8 Cash at bank and in hand

	2022 £	2021 £
Cash at bank and in hand	2,784,899	2,776,223

Notes (continued)

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	214,099	218,387
Accruals	179,527	110,017
Taxation and social security	55,087	414,104
Amounts owed to group undertakings	438,799	-
Other creditors	910,630	245,059
	<u>1,798,142</u>	<u>987,567</u>

Amount owed to group undertakings relates to group tax relief liability balance due to Münchener Rückversicherungsgesellschaft AG.

## Notes (continued)

### 10 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022	2021	2022	2021	2022	2021
	£	£	£	£	£	£
Accelerated capital allowances	-	-	(4,141,142)	(5,150,960)	(4,141,142)	(5,150,960)
Capitalised Interest			(452,266)	-	(452,266)	-
Other	531,628	849,855	-	-	531,628	849,855
Net tax assets / (liabilities)	531,628	849,855	(4,593,408)	(5,150,960)	(4,061,779)	(4,301,105)

The net deferred tax liability expected to reverse in 2023 is £202k. This relates primarily to accelerated capital allowances. The deferred tax is expected to reverse over the next 14 years in line with the remaining tangible fixed asset life. Included within 'Other' is the deferred tax asset and liabilities related to the decommissioning provision recognised.

### 11 Provisions for liabilities

	2022	2021
	£	£
Deferred tax liability (note 10)	(4,061,779)	(4,301,105)
Provision for decommissioning costs	(1,348,303)	(1,976,129)
	(5,410,082)	(6,277,234)

Provision for decommissioning reflects the decommissioning strategy for the wind farm as submitted to the local authority, incorporating updated cost estimates. Decommissioning is expected to occur in approximately 2034. The provision is calculated on the basis of an inflation rate of 2.7% (2021: 2.5%) with a discount rate of 4.1% (2021: 0.9%). The value of the decommissioning provision was revised as at 31 December 2022 to reflect changes to the interest and discount rates.

	2022	2021
	£	£
Balance at 1 January	(1,976,129)	(2,205,098)
Unwinding of discounted amount	(20,749)	(20,176)
Remeasurement	648,575	249,145
Balance at 31 December	(1,348,303)	(1,976,129)

Notes (continued)

12 Capital and reserves

Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
1,400,002 ordinary shares of £1 each	1,400,002	1,400,002
	<u>1,400,002</u>	<u>1,400,002</u>
Shares classified in shareholder's funds		

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.

13 Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2022	2021
	£	£
Less than one year	195,062	190,607
Between one and five years	642,684	674,643
More than five years	<u>1,375,085</u>	<u>1,520,753</u>
	<u>2,212,831</u>	<u>2,386,003</u>

The Company has financial commitments under non-cancellable operating leases for land rental (30 year term expiring March 2036). The land rentals payable is the higher of the minimum annual lease payment and a variable element linked to the level of future income from electricity generation. The detailed conditions are not disclosed for reasons of commercial sensitivity.

## Notes (continued)

### 14 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 2021: £nil).

### 15 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. 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.

### 16 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.

### 17 Events after the end of the reporting 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.