

Annual report and financial statements  
for the year ended 31 December 2020

Scout Moor Wind Farm Limited

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for the year ended 31 December 2020

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## Annual report and financial statements

31 December 2020

Registered number 04956455

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## Contents

Company information	1
Strategic Report	2
Directors' report	2
Statement of directors' responsibilities in respect of the annual report and the financial statements	4
Independent auditor's report to the members of Scout Moor Wind Farm Limited	5
Profit and Loss Account and Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes	11

## Company information

### Directors

Stefan Holzmaier  
Ian Gentles

### Secretary

Natasha Kumar (appointed 01 September 2020)  
Andrew Stuart Hugh Beattie (resigned 01 September 2020)

### 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 2020.

### 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 £17.3million (2019: £13.7million). The profit before tax for the year was £10.5million (profit for 2019: £6.9 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:

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

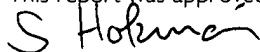
Risks are mitigated by the use of an interest rate swap, insurance policies, and by entering into management services and maintenance contracts for on-going wind farm monitoring and servicing.

### Going concern

Notwithstanding net current assets of £4.8m (2019: £2.4m) and net assets of £37.7m (2019: £35m) as at 31 December 2020, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

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.

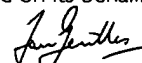
This report was approved by the board on 03 November 2021 and signed on its behalf.



Stefan Holzmaier

Director

03 November 2021



Ian Gentles

Director

03 November 2021

## Directors' report

The Directors present their annual report and financial statements for the year ended 31 December 2020.

### Results and dividends

The Company made a profit for the year of £7.8 million (profit for the year to 31 December 2019: £5.8 million).

A dividend of £5.1 million was payable in respect of the year (2019: £3.4 million).

### Directors

The following persons served as Directors during the year:

Stefan Holzmaier  
Ian Gentles

The Directors who held office at 31 December 2020 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 (2019: £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 been appointed for the first time as auditor for financial periods incepting on or after January 2020. 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 03 November 2021 and signed on its behalf.



Stefan Holzmaier  
Director  
03 November 2021



Ian Gentles  
Director  
03 November 2021

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 2020 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 21, 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 2020 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 there is 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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.



Our approach was as follows:

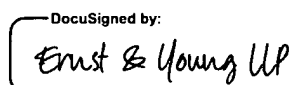
- We obtained a general understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are direct laws and regulations, related to the financial reporting framework (UK GAAP and Companies Act 2006), and the relevant direct and indirect 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 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 the controls that the Company has established to address risks identified by the Company, or that otherwise seek to prevent, deter or detect fraud. We tested manual journals, including segregation of duties, and tested specific transactions backing 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.
- In addition, we considered the impact of Covid-19 on the Company, including an assessment of the consistency of operations and controls in place as management transitioned to operating remotely for a significant proportion of 2020.

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

03 November 2021

## Profit and Loss Account and Other Comprehensive Income for the year ended 31 December 2020

	Note	2020 £	2019 £
<b>Turnover</b>	2	<b>17,301,347</b>	<b>13,722,520</b>
Cost of Sales		(3,300,273)	(3,119,150)
<b>Gross profit</b>		<b>14,001,074</b>	<b>10,603,370</b>
Administrative expenses	3	(3,304,545)	(3,282,176)
Other operating income		107,384	9,536
<b>Operating profit</b>		<b>10,803,913</b>	<b>7,330,830</b>
Other interest receivable and similar income	4	282,607	410,263
Interest payable and similar charges	5	(613,852)	(792,292)
<b>Profit before taxation</b>		<b>10,472,668</b>	<b>6,948,801</b>
Tax on profit	6	(2,711,914)	(1,157,308)
<b>Profit for the financial year</b>		<b>7,760,754</b>	<b>5,791,493</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>7,760,754</b>	<b>5,791,493</b>

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 2020

	Note	2020	2019
		£	£
<b>Fixed assets</b>			
Tangible assets	7	39,250,594	42,286,880
<b>Current assets</b>			
Debtors	8	4,335,407	3,496,856
Cash at bank and in hand	9	5,343,290	5,718,885
		9,678,697	9,215,741
<b>Creditors: amounts falling due within one year</b>	10	(4,844,143)	(6,776,669)
<b>Net current assets</b>		4,834,554	2,439,072
<b>Total assets less current liabilities</b>		44,085,148	44,725,952
<b>Creditors: amounts falling due after more than one year</b>			
Bank loan and other financial liabilities	11	(746,372)	(4,478,961)
Provisions for liabilities	14	(2,205,098)	(2,178,520)
Deferred tax liability	13	(3,431,402)	(3,036,948)
		(6,382,872)	(5,215,468)
<b>Net assets</b>		37,702,276	35,031,523
<b>Capital and reserves</b>			
Called up share capital	15	1,400,002	1,400,002
Profit and loss account		36,302,274	33,631,521
<b>Shareholders' funds</b>		37,702,276	35,031,523

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 03 November 2021 and were signed on its behalf by:

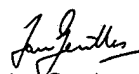


Stefan Holzmaier

Director

03 November 2021

Company registered number: 04956455



Ian Gentles

Director

03 November 2021

## Statement of Changes in Equity

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 01 January 2019	1,400,002	31,200,029	32,600,031
Total comprehensive Income for the period			
Profit for the financial year		5,791,492	5,791,492
Transactions with owners, recorded directly in equity			
Dividends		(3,360,000)	(3,360,000)
Balance at 31 December 2019	1,400,002	33,631,521	35,031,523
Balance at 01 January 2020	1,400,002	33,631,521	35,031,523
Total comprehensive Income for the period			
Profit for the financial year	-	7,760,754	7,760,754
Transactions with owners, recorded directly in equity			
Dividends	-	(5,090,000)	(5,090,000)
Balance at 31 December 2020	1,400,002	36,302,274	37,702,276

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 Koniginstrasse 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

Notwithstanding net current assets of £4.8m (2019: £2.4m) and net assets of £37.7m (2019: £35m) as at 31 December 2020, the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

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.

## 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.

##### *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. After initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

##### *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; and

##### *Derivative financial instruments*

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

## 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 3.35% and discounting that amount at a finance cost of 1.22%. 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, 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.

#### 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 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.



## Notes (continued)

### 2 Turnover

	2020	2019
	£	£
Generation of electricity	17,301,347	13,722,520

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:

	2020	2019
	£	£
Depreciation of owned tangible fixed assets	2,930,038	2,930,038

Auditor's remuneration:

Audit of these financial statements	6,946	7,302
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### 4 Other interest receivable and similar income

	2020	2019
	£	£
Net gain on financial assets measured at fair value through profit or loss (excluding derivatives used in hedging arrangements)	282,607	410,263

## Notes (continued)

### 5 Interest payable and similar expenses

	2020 £	2019 £
Interest payable on financial liabilities at amortised cost	587,274	766,034
Unwind of discount on provisions	26,578	26,258
Total other interest payable and similar expenses	613,852	792,292

### 6 Taxation

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

	2020 £	2019 £
<i>Current tax</i>		
Current tax on income for the period	2,315,884	1,609,450
Adjustments in respect of prior periods	1,576	-
Total current tax	2,317,460	1,609,450
<i>Deferred tax</i>		
Non-deductible expenses	(132,576)	(74,818)
Prior year adjustment	152,030	-
Change in tax rate	375,000	(377,324)
Total deferred tax	394,454	(452,142)
Total tax	2,711,914	1,157,308

	2020			2019		
	£	£	£	£	£	£
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and loss account	2,317,460	394,454	2,711,914	1,609,450	(452,142)	1,157,308
Total tax	2,317,460	394,454	2,711,914	1,609,450	(452,142)	1,157,308

## Notes (continued)

### 6 Taxation (continued)

#### Reconciliation of effective tax rate

	2020 £	2019 £
Profit for the year	7,760,754	5,791,493
Total tax expense	2,711,914	1,157,308
Profit excluding taxation	10,472,668	6,948,801
Tax using the UK corporation tax rate of 19% (2019 : 19%)	1,989,807	1,320,272
Prior year adjustment	139,291	-
Non-deductible expenses	207,817	(162,964)
Rate change	375,000	-
Total tax expense included in profit or loss	2,711,914	1,157,308

#### 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.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The Finance Bill 2021 passed its third reading on 24 May 2021 and was enacted on 10 June 2021 which will increase the UK tax rate to 25% from 1 April 2023.

## Notes (continued)

### 7 Tangible fixed assets

	Plant and Equipment £
<b>Cost</b>	
Balance at 1 January 2020	73,946,591
<b>Depreciation and impairment</b>	
Balance at 1 January 2020	(31,659,711)
Depreciation charge for the year	(2,930,038)
Impairment charge for the year	(106,249)
Balance at 31 December 2020	(34,695,998)
<b>Net book value</b>	
At 1 January 2020	42,286,880
At 31 December 2020	39,250,594

### 8 Debtors

	2020 £	2019 £
Trade debtors	882,431	1,554
Prepayments	446,760	442,243
Accrued income	2,637,111	2,575,794
Amounts due from group undertakings	304,106	412,265
Deposits held	65,000	65,000
	<b>4,335,408</b>	<b>3,496,856</b>

### 9 Cash at bank and in hand

	2020 £	2019 £
Cash at bank and in hand	5,343,291	5,718,885

## Notes (continued)

### 10 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans (note 12)	3,549,765	4,233,383
Trade creditors	248,170	196,762
Accruals	141,399	208,974
Taxation and social security	130,666	1,185,575
Other financial liabilities (note 16)	237,782	260,611
Other creditors	536,361	691,364
	<b>4,844,143</b>	<b>6,776,669</b>

### 11 Creditors: amounts falling after more than one year

	2020 £	2019 £
Bank loans (note 12)	746,372	4,219,183
Other financial liabilities (note 16)	-	259,778
	<b>746,372</b>	<b>4,478,961</b>

### 12 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2020 £	2019 £
<b>Creditors falling due more than one year</b>		
Secured bank loans	746,372	4,219,183
<b>Creditors falling due within less than one year</b>		
Secured bank loans	3,549,765	4,233,383

The Barclays bank loan is secured by a legal charge on SCOUT MOOR WIND FARM LIMITED 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. This loan was repaid early on 31 March 2021, this included settling the interest rate swap in place.

## Notes (continued)

### 13 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2020	2019	2020	2019	2020	2019
	£	£	£	£	£	£
Accelerated capital allowances	-	-	(3,740,344)	(3,083,258)	(3,740,344)	(3,083,258)
Capitalised Interest	-	-	(405,747)	(390,785)	(405,747)	(390,785)
Other	714,689	437,095	-	-	714,689	437,095
Net tax assets / (liabilities)	714,689	437,095	(4,146,091)	(3,474,043)	(3,431,403)	(3,036,948)

The deferred tax liability in relation to accelerated capital allowances is expected to reverse over the next 16 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. The expected deferred tax unwinding in 2021 is approximately £161k.

### 14 Provisions

	2020	2019
	£	£
Balance at 1 January	(2,178,520)	(2,152,262)
Unwinding of discounted amount	(26,578)	(26,258)
<b>Balance at 31 December</b>	<b>(2,205,098)</b>	<b>(2,178,520)</b>

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 2035. The provision is calculated on the basis of an inflation rate of 3.35% (2019: 3.35%) with a discount rate of 1.22% (2019: 1.22%).

## Notes (continued)

### 15 Capital and reserves

#### Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
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 shareholders' 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.

### 16 Financial instruments

#### Carrying amount of financial instruments measured at fair value

The carrying amounts of the financial liabilities measured at fair value include:

	2020 £	2019 £
Liabilities measured at fair value through profit or loss	237,782	520,389
Loan commitments measured at cost less impairment (note 12)	4,296,137	8,452,566

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 £4,296,137 of the Barclays bank loan borrowings and had a maturity date of 31 December 2022. This loan was repaid early on 31 March 2021, this included settling the interest rate swap in place.

### 17 Operating leases

#### Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2020 £	2019 £
Less than one year	190,607	188,955
Between one and five years	762,429	755,821
More than five years	1,623,574	1,857,554
	<u>2,576,610</u>	<u>2,802,330</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)

### 18 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 2019: £nil).

### 19 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.

### 20 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.

### 21 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.

The global pandemic of COVID-19 which impacted the UK from March 2020 onwards has been considered whilst preparing the financial statements. The Directors have not identified any impact on the financial statements for the year ending 31st December 2020.

The Company's outstanding loan balance of £4.3m was repaid in full on 31 March 2021, this included settling the interest rate swap in place over the loan.

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. The Finance Bill 2021 passed its third reading on 24 May 2021 and was enacted on 10 June 2021 which will increase the UK tax rate to 25% from 1 April 2023. It is anticipated that the maximum potential impact of the corporation tax rate change on the quantum of the deferred tax liability held as at the balance sheet date will be an increase in liability of £974k.