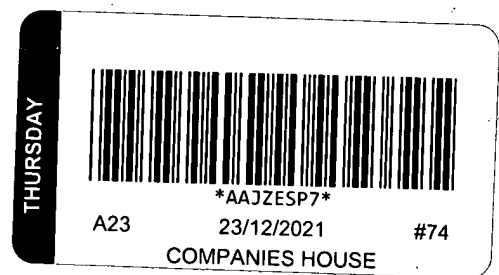


REGISTERED NUMBER: 06616497 (England and Wales)

ENECO UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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ENECO UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

DIRECTORS:

Eneco B.V.
C De Haan

REGISTERED OFFICE:

c/o Pinsent Masons LLP
1 Park Row
Leeds
West Yorkshire
LS1 5AB

REGISTERED NUMBER:

06616497 (England and Wales)

AUDITOR:

Deloitte LLP
Bristol
United Kingdom

LEGAL ADVISORS:

Pinsent Masons
30 Crown Place
Earl Street
London
EC2A 4ES

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their strategic report for Eneco UK Limited, ("the Company"), the year ended 31 December 2020.

BUSINESS REVIEW

The results for the year and financial position of the Company are as shown in the financial statements.

The Company owns 100% of the share capital of Tullo Wind Farm Limited, Twinshiels Wind Farm Ltd, LZN Limited, Eneco Sevor Limited, Eneco Burn of Whilk Limited, Eneco Moy Limited, Eneco Oaklands Limited and Eneco 365 Limited.

Throughout 2020, the Company continued to provide finance, supervision, management, administrative, operations and communications support to its subsidiaries. The company made a profit for the year totalling £11,403,389 (2019: £7,745,334). At the balance sheet date the company had reserves of £224,721,725 (2019: £213,318,336). In 2017, a strategic decision was made to close the Warwick office, and to run all of the support functions from the only remaining office in Inverness. The headcount of staff reduced dramatically throughout this time, with 9 substantive UK employees remaining in post. Since that point, the Inverness office has remained the main administrative centre for all of the UK operations.

The Company's revenue has increased 94% to £625,273 this is due higher recharge of underlying costs which have increased 96% to £1,851,143. The main increases in administrative costs relate to increased recharges from group and foreign exchange losses.

The Company oversees the operation of five wind farms (Tullo, Twinshiels, LZN, Burn of Whilk and Moy) and three solar farms (Sevor, Oaklands and Eneco 365). The performance of each of these assets has been summarised below.

Asset	Capacity in Operation (MW)	Power Generation 2020 (GWh)	Power Generation 2019 (GWh)	Operating Profit 2020 (£000)	Operating Profit 2019 (£000)
Tullo	17	43.2	38.3	2,247	1,663
Twinshiels	25	59.3	50.6	1,921	1,535
Moy	60	130.8	119.2	6,028	5,343
LZN	69	181.4	157.6	8,322	7,005
Burn of Whilk	23	69.2	69.6	2,242	3,126
Sevor	10	10.6	10.3	717	786
Oaklands	5	5.7	5.5	256	262
Eneco 365	7.5	6.3	6.4	201	239

Capacity across the UK assets has not changed in 2020, and so remains at 216.5 MW across the solar and wind entities. There continue to be 69 wind turbines in operation. Availability of the assets throughout the UK subsidiaries has remained high throughout the year, with average availability of 98.27% being achieved (2019: 98.0%). Alongside a rise in wind resource in the year, this increased availability has supported an increase in overall output to 506.5 GWh (2019: 457.5).

The Company is funded by NV Eneco Beheer through the intermediate parent company, Eneco Wind UK B.V., by way of equity and an interest-bearing inter-company loan. Loan interest (both payable and receivable by Eneco UK Limited) has reduced in comparison to 2019. Interest payable to Eneco Wind UK B.V. in the year was £1,068,000 (2019: £2,614,000) and interest received from across the subsidiary companies totalled £9,093,911 (2019: £11,315,244). The fact that these balances are reducing year on year demonstrates a strong cash position across the UK entities.

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)
FORMERLY ENECO WIND UK LIMITED

STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

S172 STATEMENT

The Board of Directors for Eneco UK Limited consider that, both individually and collectively, they have acted in a way they consider in good faith would be most likely to promote the success of the Company for the benefit of all of its stakeholders. The notes below summarise how the Directors fulfil their duties under the Section 172 requirements of the Companies Act 2006. As noted elsewhere, Eneco UK Limited is the immediate parent company of a number of subsidiaries, and the following comments apply to each of those assets / entities as well as to Eneco UK Limited.

Likely long term consequences of any decisions taken

Financial modelling has been undertaken for the lives of each of the projects, with particular emphasis given to the immediate 5 years. This clearly demonstrates potential impact of strategic decisions being considered by the Company. These forecasts are prepared in close collaboration with market specialists, and are reviewed regularly by the Board of Directors. In turn, these are formally approved by the ultimate parent company, Mitsubishi Corporation.

The interests of the Company's employees

The health, safety and well being of all Group employees is at the forefront of all Eneco strategies, whether employed directly by Eneco UK Limited or elsewhere in the Group. Eneco strive to be a responsible employer at all levels. Engagement with personal development is encouraged, and regular check ins are undertaken with employees.

The need to foster the Company's business relationships with suppliers, customers and others

The majority of the revenue from each of the subsidiaries is derived from intercompany sales of Electricity, and so there exists an open relationship with customers. Communication is constant, and queries dealt with promptly. Strong relationships exist with suppliers and other stakeholders (landowners for example). Companies throughout the Group endeavour to ensure contractual terms are adhered to at all times.

The impact of the Company's operations on the community and the environment

As a Company within the renewables industry, commitments to the community and the environment are at the forefront of strategic decisions. The financial statements illustrate economic support to communities, but further than that, the support teams actively engage and get involved. Further, the wider Eneco Group have recently joined the UN Race To Zero, demonstrating their commitment to halving global emissions by 2030.

The desirability of the Company maintaining a reputation for high standards of business conduct

It is the intention, as Directors, to ensure that all behaviour complies with all regulatory obligations expected and that all management operates the business in a responsible manner. Specifically for this Company, there is an expectation of compliance with local expectations, but also with the expectations of the parent Company as well as the ultimate parent Company. Operations are done within the parameters of a group approval standard.

The need to act fairly as between members of the Company

The issued share capital of the UK entities is entirely owned by the immediate parent company during the period, so the risk of acting unfairly between members of the Company does not arise.

**ENECO UK LIMITED (REGISTERED NUMBER: 06616497)
FORMERLY ENECO WIND UK LIMITED**

**STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

GOING CONCERN

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of financial statements.

The Company acts as an intermediary company through which the Eneco Group NV makes funds available to the investments in the trading entities held by the Company. The entity generates income from the interest receivable from loans held with the operational trading entities in order for it to meet its own expenses and commitments. Whilst the Company has sufficient working capital to enable it to meet its short term obligations, it subsequently has the ability to drawdown on the £250m loan agreement held with Eneco Group NV to provide additional funds if required.

During 2020 the Company updated their medium-term financial forecasts. The forecast cash inflows and results were based on expected future generation figures, contracted energy prices, and expected certificate prices. These forecasts have also been considered in light of the coronavirus pandemic, which has had an immediate impact on companies across the world.

In terms of Covid-19, and specifically with regards to Eneco Group, all government measures were followed and adhered to, and this continues to be the case. Health and safety for all staff and stakeholders continues to be priority for the Directors and shareholders alike. As noted elsewhere in this report, working practices have had to be redesigned in order to safeguard staff and suppliers, whilst still enabling them to maintain the assets. This has been successful, and this is evident in the results being achieved throughout the year. At the time of writing this report, no financial losses have been reported as a result of the coronavirus pandemic. The risk surrounding debtor recoverability remains low, mainly because the majority of revenue is intercompany. Further, any risk in relation to energy prices etc are managed by way of the PPAs that are in place for each of the assets.

The above factors demonstrate that the commercial impact of Covid-19 is negligible, and the operational impact is being well managed. The Directors are satisfied that the Company and the group are able to operate for at least twelve months from the signing of the Annual Report and Financial Statements. For this reason the directors believe that the Company has adequate resources to continue in operational existence and therefore it is appropriate that the Company continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

The entity has made profits, and continues to generate cash in the current period, and so is able to meet its obligations as they fall due. If necessary additional funding can be provided by the Company's parent, Eneco UK Limited, which has sufficient facilities of group funding available to offer this support. We have therefore sought and received a letter of support from Eneco Group, the immediate parent company of Eneco UK, confirming that they will continue to provide financial support for a period of at least 12 months from the date of these financial statements.

In assessing whether Eneco Group is able to provide this financial support the directors have reviewed the financial position of the Eneco Group to ensure that they have the funding sources available in order to provide direct financial support. As a result, after reviewing the current status of operations and taking into consideration the facilities available to the company, the directors have a reasonable expectation that the company has access to adequate resources to continue operating as a going concern for at least 12 months from the date of the approval of the financial statements and for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**ENECO UK LIMITED (REGISTERED NUMBER: 06616497)
FORMERLY ENECO WIND UK LIMITED**

**STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company's future chances and profitability relate to:

Regulatory risk

The UK Government renewable energy targets, legislation and amendments therein. These may either benefit or detract from the company's subsidiaries profitability by influencing electricity market prices or availability to the Company and value of renewable credits for its new developments such as Contracts for Difference (CfDs), Feed In Tariffs (FiTs) and Renewables Obligation Certificates (ROCs).

In recent times, UK energy policies remained at the forefront of public and political debate, where the debates have concentrated on balancing affordability, availability and sustainability of UK power in the future. The government implemented subsidy cuts to renewable energy in order to control rising energy bills and adjourned auctions of CfD. The current uncertainty implies that economic viability of new onshore renewable development schedules is questionable and therefore the Company has reduced its efforts significantly in that area.

Political risk

In March 2017, the UK government triggered Article 50, which undertook to exit the European Union. This was a relatively slow process, and the UK formally left the Union as of 31 December 2020. During the transition period, from February to December 2020, practices and trading continued as normal. Post Brexit, this is also generally the case. External support has been sought to ensure a seamless transition from the perspectives of both importing and exporting goods and services. Early in this process, Management across the UK and the Dutch parent companies undertook to assess the potential consequences for a change such as Brexit, and to continue to assess the position in terms of economical, legal and logistical implications across the Group.

Trading practices for the UK entities remain largely unaffected this far. Importing and exporting legislation is being closely followed and adhered to, and customs declarations etc being made where applicable.

The current strategy of the Group is to monitor this process continually, and with maximum flexibility, in order to minimise any risk to the Group. Policies and procedures are being written with the view to remaining proactive and compliant.

Reputation and public opinion

Local opinion seems to have turned against onshore wind and large ground mounted solar schemes. Increasingly local and national politicians pick up on this, tilting politician opinions toward other renewable energy technologies. A good reputation and relationship with local communities, impacted inhabitants, land owners and interest groups is seen as key by the Company, in line with its core values. Eneco believes that creating win-wins by sharing the opportunities that renewable generated assets present mitigates opposition and brings upsides to the benefit of some of the UK's more remote and economically depressed areas. By identifying and pursuing excellent customer and community engagement the Directors believe that Eneco UK Limited will be able to sustain its renewable asset portfolio and develop products and provide service to its end users.

Market price risk

The majority of the projects continue to sell their energy production directly and solely to Eneco Energy Trade B.V. (EET), and as such, the prices have been fixed for the duration of each of the projects. As a consequence, any risk in terms of future market fluctuations lie with EET, and they will manage the gain or loss from any unanticipated movements.

For the solar entities, power is sold to an external client, with any surplus being passed to EET in the usual manner. This means that there is a potential impact to these subsidiaries should there be significant movement in the market. To minimise these risks, robust contracts are in place for each of these entities. Should any of these contracts be cancelled, for whatever reason, then the asset can revert to selling all power to EET.

**ENECO UK LIMITED (REGISTERED NUMBER: 06616497)
FORMERLY ENECO WIND UK LIMITED**

**STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

PRINCIPAL RISKS AND UNCERTAINTIES - Continued

Market price risk

The majority of the projects continue to sell their energy production directly and solely to Eneco Energy Trade B.V. (EET), and as such, the prices have been fixed for the duration of each of the projects. As a consequence, any risk in terms of future market fluctuations lie with EET, and they will manage the gain or loss from any unanticipated movements.

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Volume risk

Generated volumes by wind and solar farms are dependent on weather conditions. This may result in volume fluctuations year-on-year in the range of as much as 10% above or below historic averages on a project. In addition the technical availability of turbines are a key determinant of generated volumes. To a certain extent, non-performance from turbines is mitigated via liquidating damages included in the turbine contracts.

Interest rate risk, credit risk and foreign currency risk

The Company considers these risks as minor. The Company is financed and funded solely by its parent company selling its generated power and certificates predominantly to other Eneco Group companies. The Company mainly deals in Sterling transactions and significant foreign currency exposure only relates to Euro denominated maintenance agreements for some of the wind farms, this foreign exchange risk is mitigated via intercompany hedges by the intermediate parent company.

The Company is funded via intercompany loans from its Parent Company. Interest rates are fixed for the duration of loan period.

Health and safety

As the Company is, via its subsidiaries, involved in and operation of electricity generating assets, strict health and safety procedures, which are adhered to rigorously, are of key importance to reduce and preferably exclude any health and safety incidents. The Directors and management of the Company continue to focus on this to ensure that the company and its subsidiaries exceed all requirements under the relevant legislation.

Early in 2020, the Covid-19 virus was identified as an area of risk, and quickly became a worldwide pandemic. Entire countries were put into lockdown, employees were asked to work from home, and all non essential businesses were closed. Government advice is very fluid, and subject to change at any given time. As such, the management is following all advice very closely and the Company are adhering to legislation and recommendations at all times. Vaccine programmes continue throughout the country, and it is hoped that this will allow return to more usual working practices in due course.

Despite the upheaval, the consequences of this for the Company have been minimal until now. Electricity generation has been deemed a key industry and as such the Operations and Maintenance providers on the wind and solar sites continue to service the assets, albeit with changed working practices. For example, the scheduled maintenance scope has been modified to reduce the risk to the workforce where possible, whilst ensuring that asset integrity is maintained. At this point, there have been no financial losses identified as a direct result of Coronavirus, and therefore the commercial impact is negligible so far. Further challenges are likely as the situation progresses. Management across the UK and the Dutch parent companies are following government advice and monitoring the situation at all times.

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)
FORMERLY ENECO WIND UK LIMITED

STRATEGIC REPORT - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

ENVIRONMENT AND LOCAL COMMUNITIES

The Company is doing its utmost to reduce the impact of its schemes on the local environment and communities. The Company continues to engage with local communities, provides support, attempts where possible to contract locally and operates a 100% renewable generation portfolio.

KEY PERFORMANCE INDICATORS


KPIs Eneco UK Limited and subsidiaries	2020	2019
Interest Payable on long term intercompany loans	£1,068,000	£2,614,000
Interest Receivable on long term intercompany loans	£9,093,911	£11,315,244
Availability (weighted by MW operational)	98.3%	98.6%
Profit Before Tax (£000)	£12,485	£8,079
Number of Wind Turbine Generators in operation	69	69
Capacity in operation (solar and wind, in MW)	216.5	216.5
Generated power (GWh)	506.5	457.5

Full discussion of the Key Performance Indicators is noted above.

FUTURE DEVELOPMENTS

In 2021 the directors envisage that the Company will continue to focus on achieving efficiency from the existing wind and solar asset portfolio to maximise on its power generation.

Approved by the Board of Directors
and signed on behalf of the Board


Jeanine Tijhaar (Dec 22, 2021 16:22 GMT+1)

Eneco B.V. – represented by J Tijhaar

Date: 22/12/2021 2021

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of Eneco UK Limited ("the Company") for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review continued to be providing finance, supervision, administrative, operations, communications, and management services to its subsidiaries in order to develop, build and operate onshore wind and solar farms in the United Kingdom. The Company is the intermediate holding company for Eneco subsidiaries in the UK and is funded by Eneco UK B.V. in Rotterdam.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

See the Strategic Report on pages 2 to 7 for information regarding the Company's financial risk management objectives and policies including the policy for hedging each major type of forecasted transaction for which hedge accounting is used.

STREAMLINED ENERGY AND CARBON REPORTING

The Directors have reviewed energy usage for Eneco UK Limited. As the 2020 consumption falls significantly below 40,000 Kwh, it is therefore exempt from SECR.

PARENT COMPANY

The Company is a wholly-owned subsidiary of Eneco UK B.V. The Company's ultimate parent undertaking is Mitsubishi Corporation, a company incorporated in Japan.

DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2020 (2019: £8 million).

DIRECTORS

The directors who have held office during the period from 1 January 2020 to the date of this report are as follows:

Eneco B.V.
C De Haan

FUTURE DEVELOPMENTS

In 2021 the directors envisage that the Company will focus on achieving efficiency from the wind and solar asset portfolio to maximise on its power generation.

PROVISION OF INFORMATION TO AUDITORS

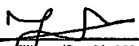
Each of the persons who are a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

Deloitte LLP has indicated its willingness to be reappointed for another term and appropriate arrangements are being made for it to be deemed reappointed as auditor in absence of an Annual General Meeting.

The financial statements of Eneco UK Limited (registered number 06616497) were approved by the board of directors and authorised for issue on 22/12/2021 2021. They were signed on its behalf by:


Jeanine Tijhaar (Dec 22, 2021 16:22 GMT+1)

Eneco B.V. – represented by J Tijhaar

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit of the Company for that period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Including Financial Report Standard 101 'Reduced Disclosure Framework'. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.
- The directors are 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENECO UK LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Eneco UK Limited (the 'company'):

- give a true and fair view of the state 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 at least 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.

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 our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENECO UK LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence and health and safety legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENECO UK LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud - continued

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

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.



Sonya Butters FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Bristol, United Kingdom

Date:23/12/2021.....2021

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
REVENUE	2	625,273	321,882
Administrative expenses		<u>(1,665,142)</u>	<u>(942,370)</u>
OPERATING LOSS		(1,039,869)	(620,488)
Dividend income		5,500,000	
Interest receivable and similar income	4	9,093,911	11,315,244
Interest payable and similar expenses	5	<u>(1,068,978)</u>	<u>(2,615,562)</u>
PROFIT BEFORE TAX	6	12,485,064	8,079,194
Tax on profit	7	<u>(1,081,675)</u>	<u>(333,860)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>11,403,389</u>	<u>7,745,334</u>

Revenue and operating profits are all derived from continuing operations.

There are no recognised gains and losses other than the profit for the current and preceding financial year, as shown in the income statement above.


The notes on pages 16 to 28 form part of these financial statements

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

**BALANCE SHEET
AS AT 31 DECEMBER 2020**

	Notes	2020 £	2019 £
NON CURRENT ASSETS			
Property, plant and equipment	8	34,523	60,539
Investments	9	61,095,022	61,095,022
Trade and other receivables	10	163,847,630	186,259,386
		<u>224,977,175</u>	<u>247,414,947</u>
CURRENT ASSETS			
Trade and other receivables - due within one year	10	1,351,795	1,159,042
Cash at bank and in hand		9,098,171	1,398,808
		<u>10,449,966</u>	<u>2,557,850</u>
CURRENT LIABILITIES			
Trade and other payables	11	(10,705,416)	(476,045)
NET CURRENT (LIABILITIES)/ASSETS		<u>(255,450)</u>	<u>2,081,805</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>224,721,725</u>	<u>249,496,752</u>
NON CURRENT LIABILITIES			
Borrowings	12	-	(35,992,416)
PROVISIONS FOR LIABILITIES	15	-	(186,000)
NET ASSETS		<u>224,721,725</u>	<u>213,318,336</u>
CAPITAL AND RESERVES			
Called-up share capital	16	201,240,000	201,240,000
Retained earnings	17	23,481,725	12,078,336
SHAREHOLDERS' FUNDS		<u>224,721,725</u>	<u>213,318,336</u>

The financial statements of Eneco UK Limited (registered number 06616497) were approved by the board of directors and authorised for issue on 22/12/2021 2021. They were signed on its behalf by:


 Jeanine Tijhaar (Dec 22, 2021 16:22 GMT+1)
 Eneco B.V. – represented by J Tijhaar



The notes on pages 16 to 28 form part of these financial statements

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	201,240,000	12,333,002	213,573,002
Changes in equity			
Dividends	-	(8,000,000)	(8,000,000)
Total comprehensive income	<u>-</u>	<u>7,745,334</u>	<u>7,745,334</u>
Balance at 31 December 2019	<u>201,240,000</u>	<u>12,078,336</u>	<u>213,318,336</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>11,403,389</u>	<u>11,403,389</u>
Balance at 31 December 2020	<u>201,240,000</u>	<u>23,481,725</u>	<u>224,721,725</u>

The notes on pages 15 to 27 form part of these financial statements

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

1. ACCOUNTING POLICIES

Basis of preparation

Eneco UK Limited (the Company) is a Company incorporated in the United Kingdom under the Companies Act 2006. The Company is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 7.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Going concern

In accordance with their responsibilities as directors, the directors have considered the appropriateness of the going concern basis for the preparation of the financial statements. The directors expect the Company to receive continued financial support from the Company's ultimate parent undertaking, Eneco Group N.V.

During 2020 the Company made updated medium term financial forecasts which confirmed that the Company will be able to continue as a going concern for a period of at least one year from the date of approval of these financial statements. The forecast cash inflows and results were based on expected future generation figures, contracted energy prices and expected certificate prices.

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

1. ACCOUNTING POLICIES – continued

Going concern - continued

However, early in 2020, the coronavirus pandemic had an immediate impact on companies across the world. With regards to Eneco Group, all government measures were followed and adhered to. Health and safety for all staff and stakeholders continues to be priority for the Directors and shareholders alike.

As noted elsewhere in this report, working practices have had to be redesigned in order to safeguard staff and suppliers, whilst still enabling them to maintain the assets. This has been successful, and this is evident in the results being achieved in the first half of 2020. For January to May 2020, every one of the UK entities has achieved production levels ahead of budgets. The risk surrounding debtor recoverability remains low, mainly because the majority of revenue is intercompany. Further, any risk in relation to energy prices etc are managed by way of the PPAs that are in place for each of the assets.

The above factors demonstrate that the commercial impact of Covid-19 is negligible, and the operational impact is being well managed.

The Directors have revisited the Company's medium term cash flow forecasts and are satisfied that the Company, taking account of the Company's trading performance and funds available, the Company and the group are able to operate for at least twelve months from the signing of the Annual Report and Financial Statements. For this reason the directors believe that the Company has adequate resources to continue in operational existence and therefore it is appropriate that the Company continues to adopt the going concern basis in preparing the Annual Report and Financial Statements

Revenue

Revenue is stated net of tax. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Revenue represents the charges made to group and joint ventures for staff time and other services provided.

Investments

Investments are stated at cost less a provision for impairment.

Property, plant and equipment

Property, plant and equipment are stated at cost or valuation, net of depreciation and any provision for impairment. The cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided at the following annual rates in order to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Computer equipment	- 15% on reducing balance

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

1. ACCOUNTING POLICIES – continued

Property, plant and equipment - continued

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the profit or loss account in the period of derecognition.

Deferred tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities at their carrying amounts in the financial statements, with the following exceptions:

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date.

Current tax

Current tax is provided at amounts expected to be paid using rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

The Company's functional currency and presentation currency is pounds sterling. Transactions in foreign currencies are initially recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Employee benefit costs

Contributions to the defined contribution scheme are recognised in profit or loss in the period in which they become payable.

Trade and other debtors

Trade debtors, which generally have 30-90 days terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, debtors are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

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

1. ACCOUNTING POLICIES - continued

Consolidation

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Eneco Group N.V., a company incorporated in The Netherlands.

Interest receivable and similar income

Interest is accrued on all loans provided to 100% owned subsidiary companies. Income is recognised in profit or loss in the period in which it is accrued.

Leased assets

Leases are recognised when the Company enters into a contractual lease which conveys the right to control the use of identifiable assets for a period of time in exchange for consideration.

Upon lease commencement, a lessee recognises a right-of-use assets. If the right-of-use asset is an investment property, it is valued at fair value. Where the asset is property, plant or equipment, it is valued at the present value of the lease payment within property, plant and equipment and separately identified as a right-of-use asset. Where the lease provides for variable elements, such as the element based on the amount of electricity produced, the lease payments are initially measured at current rates. When the rate varies, this is a re-measuring event and the lease asset and liability is re-measured and treated as an adjustment to the right-of-use asset and lease liability.

The lease liability is initially measured at the present value of the lease payments payable over the lease term and discounted at the rate implicit in the lease if this can be readily determined. Where this cannot be readily determined, the Company's incremental borrowing rate is estimated and used to arrive at the present value of the lease payments. When a re-measurement event occurs, the lease liability is re-measured at this time.

The Company has elected not to apply IFRS 16 to leases with a lease term of less than 12 months or where the underlying asset has a low value when new. In such circumstances, the lease payments are expensed to the income statement as incurred and disclosed in the operating profit note.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

1. ACCOUNTING POLICIES – continued

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.
Financial liabilities at FVTPL.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 Financial Instruments: Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the income statement.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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

1. ACCOUNTING POLICIES – continued

Critical accounting judgements and key sources of estimation uncertainty

In applying a Company's accounting policies, directors are often required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. It is the view of the directors that, for this Company, there are no critical accounting judgements required, but there are some significant areas of uncertainty that should be considered.

In preparing the financial statements, management used judgements, estimates and assumptions which affect the reported amounts and rights and obligations not disclosed in the balance sheet. In particular, they relate to the fair value of relevant assets and liabilities, impairment of assets and the size of provisions. The judgements, estimates and assumptions that have been made are based on market information, knowledge, historical experience and other factors that can be deemed reasonable in the circumstances. Actual results could, however, differ from the estimates. Judgements, estimates and assumptions are reviewed on an on-going basis. Changes in accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. If the revision also affects future periods, the change is made prospectively in the relevant periods. Any points of particular importance with regard to judgements, estimates and assumptions are set out in the notes to the profit or loss account and balance sheet items.

Critical judgement in applying the Company's accounting policies

Impairment of assets

At each reporting date, the Company reviews the carrying amounts of its tangible assets and investments to determine whether there is any indication that those assets have suffered an impairment loss and determines the extent of the impairment loss (if any).

There are no critical estimates that the directors have made in the process of applying the Company's accounting policies that significantly effect any amounts recognised in financial statements.

2. REVENUE

All income is derived in the UK from management charges.

3. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	621,472	508,080
Social security costs	81,364	67,346
Pension costs	50,190	41,571
	<u>753,026</u>	<u>616,997</u>

The average monthly number of employees during the year was as follows:

	2020	2019
Construction and operation	5	4
Trading and sales	1	1
Administration	2	2
Management	<u>1</u>	<u>1</u>
	<u>9</u>	<u>8</u>

The following director is also director or employee of another group Company. They are remunerated by the Company shown. It is not practicable to allocate their remuneration between their services as directors of this Company and as directors or employees of other group companies.

C De Haan Eneco B.V.

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

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

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£	£
Interest receivable from group companies	<u>9,093,911</u>	<u>11,315,244</u>
	<u>9,093,911</u>	<u>11,315,244</u>

Interest has been charged at a rate of 5.8% per annum on the loans to Tullo Wind Farm Limited, Twinshiels Wind Farm Limited, LZN Limited, Eneco Moy Limited, Eneco Sevor Limited and Eneco Burn of Whilk Limited. Interest has been charged at a rate of 1.6% per annum on the loans to Eneco 365 Limited and Eneco Oaklands Limited, all 100% owned subsidiaries.

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Interest payable	1,068,000	2,614,000
Interest on lease liabilities	963	1,562
Other interest	<u>15</u>	<u>-</u>
	<u>1,068,978</u>	<u>2,615,562</u>

Interest has been charged at 4.8% per annum on the loan from Eneco Wind UK B.V.

6. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets (note 8)	8,760	8,760
Depreciation - right-of-use assets	17,256	17,256
Auditor's remuneration - fees payable to the company's auditor for the audit of the company's financial statements	22,000	33,000
Foreign exchange differences	110,689	(46,066)
Operating leases - other	<u>4,444</u>	<u>30,803</u>

7. TAXATION

Analysis of tax expense

	2020	2019
	£	£
Current tax charge for the current year	1,064,710	333,860
Under provision in prior year	<u>16,965</u>	<u>-</u>
Total tax charge in income statement	<u>1,081,675</u>	<u>333,860</u>

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

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

7. TAXATION – continued

	2020 £	2019 £
Profit before income tax	<u>12,485,064</u>	<u>8,079,194</u>
Profit		
multiplied by the standard rate of corporation tax		
in the UK of 19% (2019 - 19%)	2,372,162	1,535,047
Effects of:		
Expenses not deductible for tax purposes	(33,144)	3,800
Capital allowances in excess of depreciation	(545)	(1,016)
Subsidiary tax adjustments	-	(211,155)
Tax losses surrendered by subsidiaries for no payment	(43,586)	(992,816)
Transfer pricing compensating adjustments	(185,177)	-
Movement on deferred tax not recognised	-	-
Shares in group companies	(1,045,000)	-
Under provision in the prior year	16,965	-
	<u>1,081,675</u>	<u>333,860</u>
Tax charge		

A deferred tax asset of £574,474 (2019: £513,002) has not been recognised on the grounds that recoverability is not certain.

The Finance Bill 2021 has set out measures to maintain the corporation tax rate for financial years beginning 1 April 2021 and 2022. For financial years beginning after 1 April 2023, the corporation tax main rate will be increased to 25% for profits over £250,000. A small profits rate (SPR) will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by marginal relief. The directors are not aware of any other factors that will materially affect the future tax charge.

8. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Fixtures and Fittings £	Computer equipment £	IFRS 16 Right-of use-asset £	Totals £
Cost					
At 1 January 2020	70,026	78,609	64,223	54,645	267,503
At 31 December 2020	<u>70,026</u>	<u>78,609</u>	<u>64,223</u>	<u>54,645</u>	<u>267,503</u>
Depreciation					
At 1 January 2020	70,026	55,459	64,223	17,256	206,964
Charge for year	-	8,760	-	17,256	26,016
At 31 December 2020	<u>70,026</u>	<u>64,219</u>	<u>64,223</u>	<u>34,512</u>	<u>232,980</u>
Net book value					
At 31 December 2020	<u>-</u>	<u>14,390</u>	<u>-</u>	<u>20,133</u>	<u>34,523</u>
At 31 December 2019	<u>-</u>	<u>23,150</u>	<u>-</u>	<u>37,389</u>	<u>60,539</u>

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

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

9. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2020	<u>61,095,022</u>
31 December 2020	61,095,022
NET BOOK VALUE	
At 31 December 2020	<u>61,095,022</u>
At 31 December 2019	61,095,022

The Company's investments at the balance sheet date in the share capital of companies included the following:

Company	Country of registration or incorporation	Shares held Class	Shares held %
Subsidiary undertakings			
Tullo Wind Farm Limited	England & Wales	Ordinary	100
LZN Limited	England & Wales	Ordinary	100
Erica Wind Farm Limited	England & Wales	Ordinary	100
Eneco Moy Limited	England & Wales	Ordinary	100
Eneco Sevor Limited	England & Wales	Ordinary	100
Eneco Burn of Whilk Limited	England & Wales	Ordinary	100
Twinshiels Wind Farm Limited	Scotland	Ordinary	100
Eneco 365 Limited	England & Wales	Ordinary	100
Eneco Oaklands Limited	England & Wales	Ordinary	100
	Principal Activity		
Tullo Wind Farm Limited	Operation of a wind farm		
LZN Limited	Operation of a wind farm		
Erica Wind Farm Limited	Dormant		
Eneco Moy Limited	Operation of a wind farm		
Eneco Sevor Limited	Operation of a solar farm		
Eneco Burn of Whilk Limited	Operation of a wind farm		
Twinshiels Wind Farm Limited	Operation of a wind farm		
Eneco 365 Limited	Operation of a solar farm		
Eneco Oaklands Limited	Operation of a solar farm		

All of the above companies' registered office address is as follows: 1 Park Row, Leeds, West Yorkshire, LS1 5AB, except for Twinshiels Wind Farm Limited, whose registered office address is Eneco Ness House,

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

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

10. TRADE AND OTHER RECEIVABLES

	2020	2019
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	1,022,574	942,747
Other debtors	319,236	196,942
VAT	<u>9,985</u>	<u>19,353</u>
	<u>1,351,795</u>	<u>1,159,042</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings – loans	<u>163,847,630</u>	<u>186,259,386</u>
	<u>165,199,425</u>	<u>187,418,428</u>

The amounts owed by group undertakings relate to loans made to fund construction and acquisitions within the subsidiaries. The amounts have variable repayments dates and incur interest at 5.8% for wind subsidiaries and Eneco Sevor Limited and 1.6% for Eneco Oaklands Limited and Eneco 365 Limited.

11. TRADE AND OTHER PAYABLES

	2020	2019
	£	£
Amounts falling due within one year:		
Trade creditors	22,739	29,916
IFRS 16 lease liabilities (current)	16,306	17,199
Social security and other taxes	20,044	42,825
Other creditors	387,323	130
Corporation Tax	1,064,710	333,860
Accruals and deferred income	77,289	52,115
Amounts due to group undertakings	<u>9,117,005</u>	<u>-</u>
	<u>10,705,416</u>	<u>476,045</u>
Amounts falling due after more than one year:		
Amounts due to group undertakings (see note 12)	-	35,976,110
IFRS 16 lease liabilities (non-current)	<u>-</u>	<u>16,306</u>
	<u>-</u>	<u>35,992,416</u>

12. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Repayable otherwise than by instalments		
Amounts falling due within one year	9,117,005	-
Amounts falling due after more than one year and less than five years:	<u>-</u>	<u>35,976,110</u>

The above loan is unsecured and interest is charged on the loan at the Eneco Long Term Intercompany loan rate, in the current year this is a rate of 4.8% per annum. Repayment is due on 31 December 2021.

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

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

13. FINANCIAL INSTRUMENTS

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. In relation to all financial assets and financial liabilities of the Company the fair value is equal to the carrying value, hence there have been no charges or credits to profit and loss during the year.

14. LEASES

The Company has land lease contracts for the site of the wind farm. This includes a fixed element along with a variable element based on the amount of electricity produced. The Company has implemented the requirements of IFRS 16 prospectively. The amounts recognised in the financial statements in relation to the leases are as follow:

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2020 £	2019 £
Right-of-use assets		
Office	<u>20,133</u>	<u>37,389</u>
Lease liabilities		
Current	<u>16,306</u>	<u>17,199</u>
Non-current	<u>-</u>	<u>16,306</u>
	<u>16,306</u>	<u>33,505</u>

ENECO UK LIMITED (REGISTERED NUMBER: 06616497)

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

14. OPERATING LEASES – continued

(ii) Amounts recognised in the income statement

The income statement shows the following amounts relating to leases:

	2020 £	2019 £
Depreciation charge of right-of-use assets		
Office	<u>17,256</u>	<u>17,256</u>
Interest expense (included in finance cost)	963	1,562

15. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred consideration	<u>-</u>	<u>186,000</u>

The provision in the prior year relates to deferred consideration is in respect of Eneco 365 Limited.

16. CALLED-UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
201,240,000	Ordinary	£1	<u>201,240,000</u>	<u>201,240,000</u>

17. RETAINED EARNINGS

	£
At 1 January 2020	12,078,336
Profit for the year	<u>11,403,389</u>
At 31 December 2020	<u>23,481,725</u>

18. RETIREMENT BENEFIT SCHEMES

Defined contribution scheme		
	2020 £	2019 £
Charge to profit or loss in respect of defined contributions	<u>50,190</u>	<u>41,571</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Unpaid contributions outstanding at 31 December 2020 amounted to £nil (2019: £4,788).

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**NOTES TO THE FINANCIAL STATEMENTS - continued
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19. ULTIMATE PARENT COMPANY

During the year the Company's immediate parent undertaking is Eneco Wind UK B.V. a company incorporated in The Netherlands. Eneco Wind UK B.V.'s registered office is Marten Meesweg 5, Rotterdam, 3068 AV, Netherlands.

The company's ultimate parent company is Mitsubishi Corporation, a company incorporated in Japan. Mitsubishi Corporation's registered office is 3-1 Marunouchi 2-Chome, Chiyoda-ku, Tokyo, Japan.

The smallest group into which the results of the company are consolidated is headed by Eneco Group N.V. Copies of the group financial statements can be obtained from the company secretary at Marten Meesweg 5, Rotterdam, 3068 AV, Netherlands.

The largest group into which the results of the company are consolidated is headed by Mitsubishi Corporation. Copies of the group financial statements can be obtained from the company secretary at 3-1 Marunouchi 2-Chome, Chiyoda-ku, Tokyo, Japan.

20. CONTROL

During the year the directors consider the controlling party to be the ultimate parent undertaking, Mitsubishi Corporation, 3-1 Marunouchi 2-Chome, Chiyoda-ku, Tokyo, Japan.