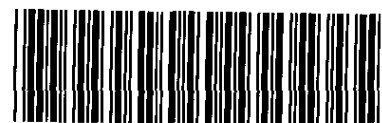


Registered number: 07881130

Fraisthorpe Wind Farm Ltd
Unaudited
Directors' report and financial statements
for the year ended 30 June 2021

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Fraisthorpe Wind Farm Ltd

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Fraisthorpe Wind Farm Ltd

Company Information

Directors	P E Dias C P Gaydon P S Latham T J Rosser
Company secretary	Octopus Company Secretarial Services Limited
Registered number	07881130
Registered office	6th Floor 33 Holborn London EC1N 2HT

Fraisthorpe Wind Farm Ltd

Directors' report for the year ended 30 June 2021

The directors present their report and the unaudited financial statements of the company for the year ended 30 June 2021.

Principal activities

The principal activity of the company is the operation of a wind farm for the generation and sale of electricity.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

P E Dias
C P Gaydon
P S Latham
T J Rosser

Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent trading of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

Brexit

The UK left the EU on 31 January 2020 and the transition period ended on 31 December 2020, in which time the UK and EU negotiated additional arrangements and concluded the "Trade and Cooperation Agreement". The directors have considered the impact on the company regarding the agreed exit terms within the agreement and wider regulatory and legal implications within these statutory financial statements and will continue to do so.

Prior period restatement

The company corrected a prior period error relating to the useful life of the wind turbines within 2020, resulting in an increase in tangible assets of £475,325, with a corresponding increase in the decommissioning provision (note 8). The restatement has no impact on the retained earnings for the year ended 30 June 2020.

Fraisthorpe Wind Farm Ltd

Directors' report (continued) for the year ended 30 June 2021

Statement of directors' responsibilities

The directors are responsible for preparing 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). 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;
- state whether applicable United Kingdom Accounting Standards, comprising the FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors' have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

Audit exemption

The directors consider that the company is entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006. Under the provisions of section 479C of the Companies Act 2006, Fern Trading Limited, the ultimate parent company, has given a statutory guarantee of all the outstanding liabilities to which the company is subject at 30 June 2021.

This report was approved by the board on

26 March 2022 and signed on its behalf.



P S Latham
Director

Fraisthorpe Wind Farm Ltd

Statement of comprehensive income for the year ended 30 June 2021

	2021 £	2020 £
Turnover	7,694,350	7,524,722
Cost of sales	(3,241,596)	(3,336,091)
Gross profit	4,452,754	4,188,631
Administrative expenses	(1,027,085)	(947,107)
Operating profit	3,425,669	3,241,524
Interest payable and similar charges	(728,562)	(866,721)
Profit on ordinary activities before taxation	2,697,107	2,374,803
Tax on profit on ordinary activities	(506,200)	(480,052)
Profit for the financial year	2,190,907	1,894,751
Total comprehensive income for the year	2,190,907	1,894,751

All amounts relate to continuing operations.

The company has no items of other comprehensive income for the current financial period. Therefore no separate statement of other comprehensive income has been presented.

The notes on pages 8 to 15 form part of these financial statements.

Fraisthorpe Wind Farm Ltd

Registered number:07881130

Balance sheet as at 30 June 2021

	Note	2021 £	2021 £	As restated 2020 £	As restated 2020 £
Fixed assets					
Tangible fixed assets	5		26,419,734		28,368,806
Current assets					
Debtors	6	2,177,753		2,421,325	
Cash at bank and in hand		166,081		166,081	
		<u>2,343,834</u>		<u>2,587,406</u>	
Creditors: amounts falling due within one year	7	(21,874,388)		(27,143,856)	
Net current liabilities			<u>(19,530,554)</u>		<u>(24,556,450)</u>
Total assets less current liabilities			<u>6,889,180</u>		<u>3,812,356</u>
Provisions for liabilities					
Deferred tax			(2,695,388)		(1,842,062)
Provision for liabilities			(1,079,315)		(1,046,724)
Net assets			<u>3,114,477</u>		<u>923,570</u>
Capital and reserves					
Called up share capital	9		2		2
Retained earnings			3,114,475		923,568
Total shareholders' funds			<u>3,114,477</u>		<u>923,570</u>

For the year ended 30 June 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Fraisthorpe Wind Farm Ltd

Registered number:07881130

**Balance sheet (continued)
as at 30 June 2021**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26 March 2022.


P S Latham
Director

The notes on pages 8 to 15 form part of these financial statements.

Fraisthorpe Wind Farm Ltd

Statement of changes in equity for the year ended 30 June 2021

	Called up share capital	Retained earnings	Total shareholders' funds
	£	£	£
At 1 July 2019	2	(971,183)	(971,181)
Profit for the financial year	-	1,894,751	1,894,751
At 1 July 2020	2	923,568	923,570
Profit for the financial year	-	2,190,907	2,190,907
At 30 June 2021	2	3,114,475	3,114,477

The notes on pages 8 to 15 form part of these financial statements.

Fraisthorpe Wind Farm Ltd

Notes to the financial statements for the year ended 30 June 2021

1. General information

Fraisthorpe Wind Farm Ltd is a private company, limited by shares, incorporated in and domiciled in England, the United Kingdom, registered number: 07881130. The registered office is 6th Floor, 33 Holborn, London, EC1N 2HT.

The principal activity of the company is the operation of a wind farm for the generation and sale of electricity.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies (see note 3).

The company's functional and presentational currency is the pound sterling.

The following principal accounting policies have been applied:

2.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

2.3 Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent trading of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

Fraisthorpe Wind Farm Ltd

Notes to the financial statements for the year ended 30 June 2021

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is derived from the electricity generated by wind farms and is recognised on an accruals basis in the period in which it is generated.

2.5 Finance costs

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

2.6 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Wind turbines	- 20 years straight line
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Fraisthorpe Wind Farm Ltd

Notes to the financial statements for the year ended 30 June 2021

2. Accounting policies (continued)

2.7 Impairment of non financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

2.8 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 Operating leases

Rentals under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

Fraisthorpe Wind Farm Ltd

Notes to the financial statements for the year ended 30 June 2021

2. Accounting policies (continued)

2.10 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.11 Financial instruments

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

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

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

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

Fraisthorpe Wind Farm Ltd

Notes to the financial statements for the year ended 30 June 2021

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provision for decommissioning is recognised in full at the commencement of production. The amount recognised is the discounted value of the estimated future expenditure determined in accordance with local conditions and requirements. Any movement in the provision is recognised in the profit and loss in the year. Any change in the present value of the estimated expenditure is reflected in an adjustment to the provision.

2.13 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

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

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the company's accounting policies

There are no critical judgements in applying the entity's accounting policies.

(b) Critical accounting estimates and assumptions

The provision for decommissioning costs is measured at management's best estimate of the present value of the expenditure required to settle the future obligation. This estimate is determined in accordance with local conditions and requirements, using a discount rate of 2% reflecting the time in value of money and the risks specific to the obligation, based on management's judgement (see note 8).

Fraisthorpe Wind Farm Ltd

Notes to the financial statements for the year ended 30 June 2021

4. Employees and directors' remuneration

The company had no employees during the year (2020: none). The directors did not receive or waive any remuneration (2020: £nil).

5. Tangible fixed assets

	Wind turbines £
Cost	
At 1 July 2020 (as previously stated)	34,893,704
Prior Year Adjustment	475,325
	<hr/>
At 1 July 2020 (as restated)	35,369,029
Disposals	(200,767)
	<hr/>
At 30 June 2021	35,168,262
	<hr/>
Accumulated depreciation	
At 1 July 2020	7,000,223
Charge for the year	1,748,305
	<hr/>
At 30 June 2021	8,748,528
	<hr/>
Net book value	
At 30 June 2021	26,419,734
	<hr/> <hr/>
At 30 June 2020 (as restated)	28,368,806
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The company corrected a prior period error relating to the useful life of the wind turbines within 2020, resulting in an increase in the tangible fixed assets of £475,325, with a corresponding increase in the decommissioning provision (note 8). The restatement has no impact on the retained earnings for the year ended 30 June 2020.

6. Debtors

	2021 £	2020 £
Trade debtors	95,284	630
Other debtors	717,987	236,921
Prepayments and accrued income	1,364,482	2,183,774
	<hr/>	<hr/>
	2,177,753	2,421,325
	<hr/> <hr/>	<hr/> <hr/>

Fraisthorpe Wind Farm Ltd

Notes to the financial statements for the year ended 30 June 2021

7. Creditors: amounts falling due within one year [To be updated]

	2021 £	2020 £
Trade creditors	1,845	439,767
Amounts owed to group undertakings	21,452,697	26,347,679
Accruals and deferred income	419,846	356,410
	21,874,388	27,143,856

Included within amounts owed to group undertakings are unsecured loans with year end balances totaling £21,452,697 (2020: £26,347,679). £XXX (2020: £26,323,800) bears interest at 3% (2020: 3%) and £XXX (2020: £23,878) is interest free. The loans are all repayable on demand.

8. Provisions

	As restated Decommissioning provision £
At 1 July 2020 (as previously stated)	571,399
Prior Year Adjustment	475,325
At 1 July 2020 (as restated)	1,046,724
Charge to profit or loss	32,591
At 30 June 2021	1,079,315

A provision has been recognised for decommissioning costs associated with the wind farm owned by the company. The company is committed to decommissioning the wind farm as a result of the construction of the wind farm for the production of power.

The decommissioning provision provides the future costs of decommissioning of the wind farm.

The provision has been discounted at an annual rate of 2% and this discount will be unwound and charged to the statement of comprehensive income until 2042, as the estimated date of decommissioning.

The company corrected a prior period error relating to the useful life of the wind turbines within 2020, resulting in an increase in the decommissioning provision of £475,325, with a corresponding increase in the tangible fixed assets (note 5). The restatement has no impact on the retained earnings for the year ended 30 June 2020.

Fraisthorpe Wind Farm Ltd

Notes to the financial statements for the year ended 30 June 2021

9. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
2 (2020: 2) Ordinary shares of £1	<u>2</u>	<u>2</u>

10. Operating leases commitments

At 30 June 2021 the company had minimum lease payments under non-cancelable operating leases as follows:

	2021 £	2020 £
Payment due		
Not later than one year	144,986	144,986
Later than one year and not later than five years	579,943	579,943
Later than five years	2,303,286	2,464,729
	<u>3,028,215</u>	<u>3,189,658</u>

11. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 30 June 2021 it was a wholly owned subsidiary.

12. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Caicias Energy Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking as at the year ended 30 June 2021 was Fern Trading Limited, a company incorporated in the United Kingdom. Fern Trading Limited is the largest group of undertakings to consolidate these financial statements. Copies of Fern Trading Limited's consolidated financial statements can be obtained from the Company Secretary, 6th Floor, 33 Holborn, London, EC1N 2HT.