

**Wind FX Limited**  
**Report and Financial Statements**  
**Registered number: 09601836**  
**For the period ended 21 December 2022**

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**Wind FX Limited**  
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**Wind FX Limited  
Company Information**

**Directors**

Edward Mole  
Stephen Daniels  
Elliot Tegerdine

**CRN**

09601836

**Bankers**

The Royal Bank of Scotland

**Registered Office**

338 Euston Road  
London  
England  
NW1 3BG

**Wind FX Limited**  
**Report of the Directors**  
**For the period ended 21 December 2022**

The directors present their report with the financial statements of the company for the period ended 21 December 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of production of electricity from wind turbines.

**DIRECTORS**

The directors who have held office during the period to 21 December 2022 are as follows:

Ms Rebecca Alison Jane Bowes - resigned 22 December 2022  
Mr Edward Michael Astley Arlington- resigned 22 December 2022  
Mr Charles Ralph Clay - resigned 22 December 2022  
Mr Martin Luke Cooper- resigned 22 December 2022  
Mr David Thomas Wright - resigned 22 December 2022  
Mr B A Philips - appointed 22 December 2022 and resigned 1 July 2023  
Mr R Skeldon - appointed 22 December 2022 and resigned 1 July 2023  
Mr S R Daniels - appointed 22 December 2022  
Mr E W Mole - appointed 22 December 2022  
Mr E Tegerdine - appointed 31 July 2023

**COMPARATIVE INFORMATION**

Due to the change in year end date, to 21 December 2022, the current accounting period is shorter than the prior accounting period. As such comparative information will not be comparable in all instances.

**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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland Section 1A". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

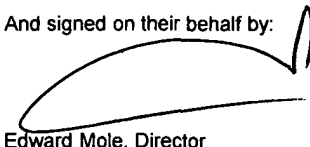
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies 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.

**STATEMENT FOR SMALL COMPANIES**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A (1)(a) of the Companies Act 2006. The directors have also taken advantage of the small companies exemptions from preparing a strategic report provided by section 414B (a) of the Companies Act 2006.

This report was approved by the Board and authorised for issue on 02/10/2023.

And signed on their behalf by:



Edward Mole, Director

**Wind FX Limited**  
**Statement of Total Comprehensive Income**  
**For the period ended 21 December 2022**  
**Registered number: 09601836**

	Notes	Period from 1 January 2022 to 21 December 2022	Year ended 31 December 2021
		£	£
<b>TURNOVER</b>		296,140	241,915
Expenses		(145,385)	(125,094)
<b>OPERATING PROFIT</b>		150,755	116,821
Interest payable and similar charges		(108,203)	(144,126)
<b>PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAX</b>		42,552	(27,305)
Tax		(2,984)	4,000
<b>PROFIT / (LOSS) AFTER TAX FOR THE PERIOD</b>		<u>39,568</u>	<u>(23,305)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Movement on revaluation of assets		1,730,318	-
Deferred tax		(432,579)	-
<b>TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>1,297,738</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<u>1,337,306</u>	<u>(23,305)</u>

All operations are classified as continuing.  
 The notes on pages 6 to 9 form part of these financial statements.

**Wind FX Limited**  
**Statement of Financial Position**  
**As at 21 December 2022**  
**Registered number: 09601836**

	Notes	21 December 2022 £	31 December 2021 £
<b>FIXED ASSETS</b>			
Tangible assets	2	2,800,000	1,125,104
<b>CURRENT ASSETS</b>			
Debtors	3	54,452	150,458
Cash at bank and in hand		234,448	138,729
		<u>288,900</u>	<u>289,187</u>
<b>CREDITORS</b>			
Amounts falling due within one year	4	-	(5,220)
<b>NET CURRENT ASSETS</b>		288,900	283,967
<b>CREDITORS</b>			
Amounts falling due after one year	5	(1,864,786)	(1,522,263)
<b>NET ASSETS / (LIABILITIES)</b>		<u>1,224,114</u>	<u>(113,192)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	6	100	100
Profit and loss account		(73,724)	(113,292)
Revaluation reserve		1,297,738	-
		<u>1,224,114</u>	<u>(113,192)</u>

a. For the period ended 21 December 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006.

b. Members have not required the Company to obtain an audit in accordance with section 476 of the Companies Act 2006.

c. The directors acknowledge their responsibility for:

i) ensuring the Company keeps accounting records which comply with Section 386 and the Companies Act 2006, and;

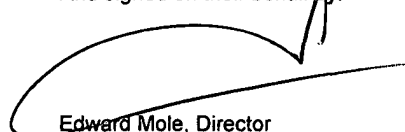
ii) preparing accounts which give true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 396 of the Companies Act 2006, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as is applicable to the Company.

d. The accounts have been prepared in accordance with the provisions applicable to Companies subject to the small Companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The notes on pages 6 to 9 form part of these financial statements.

Approved by the Board and authorised for issue on 02/10/2023.

And signed on their behalf by:

  
Edward Mole, Director

**Wind FX Limited**  
**Statement of Changes in Equity**  
**For the period ended 21 December 2022**  
**Registered number: 09601836**

	Share Capital	Profit and Loss Account	Revaluation reserve	Total Shareholders' Funds
	£	£	£	£
As at 1 January 2021	100	(89,987)	-	(89,887)
Loss in the period	-	(23,305)	-	(23,305)
As at 31 December 2021	<u>100</u>	<u>(113,292)</u>	<u>-</u>	<u>(113,192)</u>
As at 1 January 2022	100	(113,292)	-	(113,192)
Profit in the period	-	39,568	-	39,568
Movement on revaluation of assets	-	-	1,297,738	1,297,738
As at 21 December 2022	<u>100</u>	<u>(73,724)</u>	<u>1,297,738</u>	<u>1,224,114</u>

**Wind FX Limited**  
**Notes to the financial statements**  
**For the period ended 21 December 2022**

**General Information**

Wind FX Limited ("the company") is a private company limited by shares, incorporated in England and Wales. The address of its registered office is 338 Euston Road, London, England, NW1 3BG. The principal activity of the company is electricity generation from wind turbines.

The financial statements have been presented in Pounds Sterling as this is the Company's functional currency, being the primary economic environment in which the Company operates.

**1. Accounting policies**

The principal accounting policies are summarised below.

**a) Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the provisions of FRS 102 Section 1A - small entities. The Company shortened its accounting reference date to 21 December 2022 from 31 December 2022, to file accounts up to the point the company was acquired by the Elm Trading Ltd Group. Subsequent accounting periods will end on 30 September in future years to align its period end date with its parent company. The financial results for the current period are not directly comparable to the prior period because the current period has been shortened.

**b) Going Concern**

These financial statements have been prepared on a going concern basis.

**c) Cashflow statement**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the provisions of FRS 102 Section 1A - small entities.

**d) Turnover**

Turnover represents income derived from electricity generation from wind installations.

**e) Tangible fixed asset**

Tangible fixed asset represents a wind installation. It is held at the market value based on the purchase price attributed to the asset during the acquisition of the company on 22 December 2022. The acquisition process was a full third party/arms length transaction and is therefore deemed to be the actual market value of the asset at the balance sheet date. Under the revaluation model, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The capitalised costs of the tangible fixed asset includes the initial estimate of the costs, recognised and measured in accordance with Section 21 Provisions and Contingencies, of decommissioning the site and returning it to the pre-installation condition. The capitalised cost is depreciated to write off the full cost of the asset over the length of the site lease.

**f) Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**g) Financial instruments**

Financial instruments are included under the provisions of Section 11 'Basic Financial Instruments' of FRS 102. Basic financial instruments, which include trade and other receivables, cash and bank balances and trade and other payables are measured at transaction price including transaction costs.

**h) Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account.



**Wind FX Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 21 December 2022**

**i) Change in accounting policy**

During the period the accounting policy for the tangible fixed asset changed to the revaluation model so the wind site is held at market value at the balance sheet date. The policy change is to more accurately reflect the true value of the asset in the financial statement. This is a voluntary change, as such no adjustments have been made to the prior year carrying values which remain under the previous policy (historical cost less depreciation subject to impairment review). The full impact of the policy change can be seen in the fixed asset note and has been applied prospectively.

**j) Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements. However, the nature of judgement and estimation means that actual outcomes could materially differ from those estimates.

Critical judgements represent key decisions made by management in the application of the accounting policies. Where a significant risk of materially different outcomes exists due to management assumptions or sources of estimation uncertainty, this will represent a key source of estimation uncertainty. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period in which the estimate is revised, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next 12 months are discussed below.

**Critical accounting judgements**

**Decommissioning provisions**

A decommissioning provision has not been included in the financial statements. Whilst there is an obligation in the site lease to return the land to the pre-installation condition, the directors have not deemed it necessary to include such a provision due to the scrap value of the installation and also expected future use post lease terminate date. The scrap value is expected to off-set some or all of the decommissioning costs and the expected future use (given the installation will still be capable of generating income) will likely result in the decommissioning obligation under the lease being waived.

**Asset valuations**

The assets have been included at the value attributed to them during the acquisition of the company on 22 December 2022. The acquisition process was a full third party/arms length transaction and is therefore deemed to be the actual market value of the asset at the balance sheet date. To support the valuation a discounted cash flow approach has been used and in doing so a number of assumptions have been made to create the expected cash flows the asset will generate over its useful economic life. Further details on the valuation methodology and the assumptions can be found in note 3.

**2. Tangible fixed assets**

**Wind Energy Assets**  
**£**

**Cost**

At 31 December 2021  
At 21 December 2022

1,464,610  
1,464,610

**Depreciation**

At 31 December 2021  
Charge for the period  
At 21 December 2022

339,506  
55,422  
394,928

**Valuation**

At 31 December 2021  
Movement on revaluation of assets  
At 21 December 2022

-  
1,730,318  
1,730,318

**Net Book Value**

At 21 December 2022

2,800,000

At 31 December 2021

1,125,104

**Wind FX Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 21 December 2022**

The wind energy asset is being held at the value attributed to it during the acquisition on 22 December 2022. The acquisition process was a full third party/arms length transaction and is therefore in accordance with the requirements of FRS 102 and is fair value under International Private Equity and Venture Capital (IPEV) guidelines 2018. Fair value under IPEV is defined as: "the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date".

In arriving at the valuation of the asset a discounted cash flow (DCF) valuation approach has been used. A transaction multiples based valuation approach has been used as a supporting cross-check to the primary DCF approach. When producing the expected cash flows the directors have made a number of assumptions, the main assumptions being:

**Estimated Project Life** – The expected life of the asset has been extended past the end of the current lease. This is on the assumption the landlord will extend the lease when approached to do so, on the basis the asset will still be capable of generating income and the alternative use for the site (typically being arable farmland) is likely to generate less income for the landlord than the asset would.

**Operating Revenues** – The asset generates revenue from Power Purchase Agreements ("PPA") agreed with electricity distributors or private off-takers, in addition to the government FiT subsidy. The cash flow model uses the forecast Aurora July 2022 central scenario and adopts the Ofgem FiT tariff price.

**Operating expenses** – Operations & maintenance, lease, business rates, import (i.e. electricity), asset management fee and insurance broadly form the largest elements of asset operating costs.

**Inflation** – The Directors have assumed long-term RPI of 3.0% until 2030. From 2030 onward, long-term RPI inflation of 2.3% has been assumed (i.e. 70bps lower based on statistical analysis showing the average spread between RPI and CPI to date). The Directors have assumed long-term CPI of 2.0%.

**Terminal Value** – As the asset is a finite project with discrete cash flow periods, a terminal value is not included in the cash flow model.

**Discount Rate** – The rate applied to the cash flows to determine their present value is deemed appropriate based on internal research and experience (through the company's parent) of transacting in the renewable energy sector specifically in the last six months. This experience includes built up proprietary market intelligence as well as portfolio specific considerations such as the subsidy regime. Comparison is also made to the rates of return on UK listed companies operating in the same renewable energy sector.

**Renewable Energy Windfall Tax** – The windfall tax has been reflected in the cashflow model for 3 years. The Directors have assumed a fixed price of £60/MWh, including any Embedded Benefits, from 01 January 2023 to 31 March 2024. A discount of 30% and 15% has then been applied to the Aurora power curves used, for the remainder of 2024 and the whole of 2025, respectively.

The value that would have been recognised had the asset been carried under the cost model is £1,069,682 (2021: £1,125,104).

**3. Debtors**

	21 December 2022	31 December 2021
	£	£
Other debtors	2,625	150,458
Accrued Income	49,282	-
VAT	2,545	-
	<u>54,452</u>	<u>150,458</u>

**4. Creditors: amounts falling due within one year.**

	21 December 2022	31 December 2021
	£	£
Other creditor	-	1,590
VAT	-	3,630
	<u>-</u>	<u>5,220</u>

**Wind FX Limited**  
**Notes to the financial statements (continued)**  
**For the period ended 21 December 2022**

**5. Creditors: amounts falling due after one year**

	<b>21 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	1,441,223	1,441,263
Deferred Tax	423,563	81,000
	<u>1,864,786</u>	<u>1,522,263</u>

Amounts owed to group undertakings are unsecured with no fixed repayment terms. Interest is charged at 10% p.a.

**6. Called up share capital**

Allotted, issued and fully paid:

<b>Class</b>	<b>Number</b>	<b>Nominal value</b>	<b>£</b>
Ordinary	10,000	0.01	100
			<u>100</u>

**7. Lease commitments**

At the reporting end date there were commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>21 December 2022</b>	<b>31 December 2021</b>
	<b>£</b>	<b>£</b>
Within one year	34,316	27,000
Between one and two years	34,316	27,000
Between two and five years	102,948	81,000
In over five years	514,740	405,000
	<u>686,320</u>	<u>540,000</u>

**8. Post balance sheet events and controlling party**

The company was acquired by Elm Wind Holdings Limited, part of the Elm Trading Ltd Group, in December 2022. The ultimate controlling party is Elm Trading Limited.