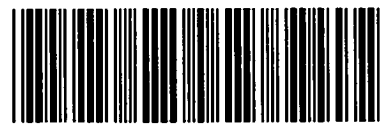


BURTON WOLD WIND FARM SOUTH LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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BURTON WOLD WIND FARM SOUTH LTD

COMPANY INFORMATION

Directors

A D K Brierley
P E Dias
T J Rosser

Registered number

09904307

Registered office

UK House, 5th Floor
164-182 Oxford Street
London
W1D 1NN

Independent auditors

Ernst & Young LLP
16 Bedford Street
Belfast
BT2 7DT

BURTON WOLD WIND FARM SOUTH LTD

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BURTON WOLD WIND FARM SOUTH LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements of Burton Wold Wind Farm South Ltd ("the company") for the year ended 31 December 2022. This report has been prepared in accordance with the special provisions to small companies within Part 15 of the Companies Act 2006/section 415A.

Principal activity

The principal activity of the company during the year has been the operation of an onshore wind farm.

Results and dividends

The profit for the year, after taxation, amounted to £598,799 (2021 - £615,005). The directors do not recommend the payment of a dividend.

Going concern

The financial statements have been prepared on the going concern basis. As at 31 December 2022, the company had net current assets of £1,326,626 and net assets of £3,984,524. The directors have assessed the company's ability to meet its liabilities as they fall due, including a review of the effect of the ongoing Ukraine-Russia conflict, the fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven an increase in volatility across markets. The directors have determined that based on recent trading of the company and revised projections, the above events are not expected to have a detrimental impact on the company's business.

Further, the company's ultimate joint shareholders, Renewable Energy Income Partnership III B Holdings Limited and REIP IV Holdings Limited, will continue to support the operations of the company for a period of 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 these events.

Directors

The directors of the company, who held office during the year and up to the date of signing these financial statements, are given below:

A D K Brierley
P E Dias
L G Halstead
T J Rosser

Directors' third party indemnity provision

A qualifying third-party indemnity provision as defined in section 234 of the Companies Act 2006 was in force throughout the financial year and at the date of approval of the financial statements, for the benefit of each of the directors in respect of liabilities incurred as a result of their office, to the extent permitted by law. In respect of those liabilities for which directors may not be indemnified, the parent companies maintained a directors' and officers' liability insurance policy throughout the financial year and up to the date of signing the financial statements.

BURTON WOLD WIND FARM SOUTH LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Directors' responsibilities statement

The directors are responsible for preparing the Director's Report and the audited 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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; 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 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 to 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 of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

So far as each of the directors 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 directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

BURTON WOLD WIND FARM SOUTH LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Small company exemption

In preparing this report, the directors have taken advantage of the small companies 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.

27-Oct-23

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

DocuSigned by:

Thomas Rosser

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T J Rosser
Director

BURTON WOLD WIND FARM SOUTH LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTON WOLD WIND FARM SOUTH LTD

Opinion

We have audited the financial statements of Burton Wold Wind Farm South Limited (the 'company') for the year ended 31 December 2022 which comprise the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

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

BURTON WOLD WIND FARM SOUTH LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTON WOLD WIND FARM SOUTH LTD
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

BURTON WOLD WIND FARM SOUTH LTD

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTON WOLD WIND FARM SOUTH LTD (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, the reporting framework FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" the Companies Act 2006), Bribery Act 2010, Money Laundering Regulations 2017 and UK Tax Legislation).
- We understood how the Company is complying with those frameworks by making and corroborating enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
 - Obtaining an understanding of entity-level controls and considering the influence of the control environment.
 - Obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified or otherwise prevent, deter and detect fraud and how senior management monitors those programs and controls; and
 - Review of board meeting minutes in the period and to the date of signing

BURTON WOLD WIND FARM SOUTH LTD

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BURTON WOLD WIND FARM SOUTH LTD
(CONTINUED)**

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; reviewing accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Ernst & Young LLP

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Micheal Kidd (Senior Statutory Auditor)
for and on behalf of

Ernst & Young LLP

Statutory Auditor
16 Bedford Street
Belfast
BT2 7DT

Date: 7 November 2023

BURTON WOLD WIND FARM SOUTH LTD**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022 £	2021 £
Turnover	2,407,295	2,091,928
Cost of sales	(920,899)	(830,754)
Gross profit	1,486,396	1,261,174
Administrative expenses	(104,131)	(101,798)
Operating profit	1,382,265	1,159,376
Interest payable and similar expenses	(326,049)	(372,420)
Profit before taxation	1,056,216	786,956
Taxation on profit on ordinary activities	(457,417)	(171,950)
Profit after taxation	598,799	615,006

All items dealt with in the income statement above relate to continuing operations.

The company has no other comprehensive income other than the results above and therefore no separate statement of total comprehensive income has been prepared.

The notes on pages 11 to 19 form part of these financial statements.

BURTON WOLD WIND FARM SOUTH LTD
REGISTERED NUMBER: 09904307

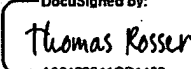
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	8,151,981	8,574,789
Current assets			
Debtors: amounts falling due after more than one year	7	45,215	45,215
Debtors	7	870,651	749,172
Cash at bank and in hand		691,023	550,432
		<u>1,606,889</u>	<u>1,344,819</u>
Creditors: amounts falling due within one year	8	(280,263)	(156,210)
Net current assets		<u>1,326,626</u>	<u>1,188,609</u>
Total assets less current liabilities		<u>9,478,607</u>	<u>9,763,398</u>
Creditors: amounts falling due after more than one year	9	(4,025,753)	(5,371,526)
Provisions for liabilities			
Deferred tax	10	(1,225,227)	(767,810)
Other provision	11	(243,103)	(238,337)
		<u>(1,468,330)</u>	<u>(1,006,147)</u>
Net assets		<u><u>3,984,524</u></u>	<u><u>3,385,725</u></u>
Capital and reserves			
Called up share capital	12	100	100
Profit and Loss account		3,984,424	3,385,625
Total shareholders' funds		<u><u>3,984,524</u></u>	<u><u>3,385,725</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities".

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on

27-Oct-23

DocuSigned by:

 A88420841CD1433.....
T J Rosser
 Director

The notes on pages 11 to 19 form part of these financial statements.

BURTON WOLD WIND FARM SOUTH LTD**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2021	100	2,770,619	2,770,719
Profit for the financial year	-	615,006	615,006
At 1 January 2022	100	3,385,625	3,385,725
Profit for the financial year	-	598,799	598,799
At 31 December 2022	100	3,984,424	3,984,524

The notes on pages 11 to 19 form part of these financial statements.

BURTON WOLD WIND FARM SOUTH LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The principal activities of the company during the year continued to be the ownership, maintenance and operation of wind turbine systems to benefit from continued renewable energy and the sale of associated electrical generation under power purchase agreements.

The company is a private company limited by shares and is incorporated and registered in the United Kingdom. The address of its registered office is UK House, 5th Floor, 164-182 Oxford Street, London, United Kingdom, W1D 1NN.

2. Statement of compliance

The financial statements of Burton Wold Wind Farm South Ltd have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

3.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

3.2 Turnover

Amounts disclosed as turnover are net of trade allowances, duties and taxes paid. Turnover generated from wind operations is recognised where there is a signed unconditional contract of sale and as electricity is generated at the contracted rate on the date of generation, except where that rate cannot be determined with reasonable accuracy in which case it is recognised when the rate can be determined with reasonable certainty.

BURTON WOLD WIND FARM SOUTH LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Accounting policies (continued)

3.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery - 25 years

Restoration asset - 25 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

3.4 Restoration for provision

Provision for decommissioning is recognised at the commencement of production. The amount recognised in the value of the 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 value of the estimated expenditure is reflected in an adjustment to the provision.

The directors annually review their decommissioning assessment to confirm that there are no material changes to the net liabilities or contingencies arising from the ongoing commitment to decommission the wind farms.

3.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

BURTON WOLD WIND FARM SOUTH LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates revenue.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to that extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of the liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3.7 Leases

At inception the company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement and whether the lease should be classified as either a finance lease or an operating lease.

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the commencement of the lease at the fair value of the leased asset and depreciated over the shorter of the lease term and the estimated useful life of the asset. Assets are assessed for impairment at each reporting date.

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

BURTON WOLD WIND FARM SOUTH LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.8 Financial instruments

The company has chosen to adopt sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and loans from shareholder companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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 to liability simultaneously.

BURTON WOLD WIND FARM SOUTH LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

3. Accounting policies (continued)

3.9 Going concern

The financial statements have been prepared on the going concern basis. As at 31 December 2022, the company had net current assets of £1,326,626 and net assets of £3,984,524. The directors have assessed the company's ability to meet its liabilities as they fall due, including a review of the effect of the ongoing Ukraine-Russia conflict, the fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven an increase in volatility across markets. The directors have determined that based on recent trading of the company and revised projections, the above events are not expected to have a detrimental impact on the company's business.

Further, the company's ultimate joint shareholders, Renewable Energy Income Partnership III B Holdings Limited and REIP IV Holding Limited, will continue to support the operations of the company for a period of 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 impact of these events.

4. Critical accounting judgements and estimation uncertainty

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

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

The directors consider that there are no critical judgements in the application of the company's accounting policies which would have a material impact on the financial statements.

b) Key accounting estimates and assumptions

The resulting accounting estimates will, by definition, seldom equal the related actual costs. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic life of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed periodically.

ii) Decommissioning

The decommissioning assessment is reviewed annually to confirm that there have not been any material changes to the net liabilities or contingencies arising from the ongoing commitment to decommission the wind farms.

iii) ROC Recycle income

ROC recycle revenue from the sale of ROCs is recognised at the point of sale of the associated electricity. Where these amounts are unknown, they are accrued at the most reliable value that can be determined based on generated electricity. As final value of certificates will not be known until after the approval of these financial statements, the value of recognised ROC recycle revenue may require adjustment in future periods, resulting in corresponding charge or credit to the Statement of Income and Retained Earnings.

BURTON WOLD WIND FARM SOUTH LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****5. Employee information**

The company has no employees other than directors, who did not receive or waive any remuneration (2021: £nil).

6. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 January 2022	10,543,588
At 31 December 2022	10,543,588
Accumulated depreciation	
At 1 January 2022	1,968,799
Charge for the year	422,808
At 31 December 2022	2,391,607
Net book value	
At 31 December 2022	8,151,981
At 31 December 2021	8,574,789

7. Debtors

	2022 £	2021 £
Due after more than one year		
Restoration bond account	45,215	45,215
Due within one year		
Trade debtors	228,374	145,385
Prepayments and accrued income	642,277	603,787
	870,651	749,172

BURTON WOLD WIND FARM SOUTH LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****8. Creditors: Amounts falling due within one year**

	2022 £	2021 £
Trade creditors	19,932	17,540
Other creditors	98,062	81,137
Accruals and deferred income	162,269	57,533
	<u>280,263</u>	<u>156,210</u>

Included within accruals and deferred income are amounts of £98,248 (2021: £16,692) relating to interest payable on unsecured loans owed to group undertakings.

9. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Amounts owed to group undertakings	<u>4,025,753</u>	<u>5,371,526</u>

Included within amounts owed to group undertakings are unsecured loans with year end balances totalling £4,025,753 (2021: £5,371,526). The loans bear interest at 6.5% (2021: 6.5%) and are repayable after more than five years.

10. Deferred taxation

	2022 £
At beginning of year	(767,810)
Charged to profit or loss	(457,417)
At end of year	<u>(1,225,227)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(1,225,227)	(979,746)
Short term timing differences	-	62,310
Losses and other deductions	-	149,626
	<u>(1,225,227)</u>	<u>(767,810)</u>

BURTON WOLD WIND FARM SOUTH LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****11. Provisions**

	Restoration provision £
At 1 January and 31 December 2022	238,337
Charged to profit or loss	4,766
At 31 December 2022	243,103

The provision relates to the obligation to restore the land on which the wind farm has been constructed in accordance with the terms of the lease.

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £0.001 each (2021: £100,001)	100	100

BURTON WOLD WIND FARM SOUTH LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****13. Financial commitments**

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Land lease		
Not later than 1 year	102,000	102,000
Due in 2-5 years	408,000	408,000
Due in greater than 5 years	1,552,915	1,654,915
	2,062,915	2,164,915

There is an operating lease in connection with the rental of the land. These are represented by an annual base rent £102,000 which is indexed based on retail price index. This lease is due to expire in 2043.

	2022 £	2021 £
Due in one year	41,250	41,250
Due in 2-5 years	165,000	165,000
Due in greater than 5 years	628,017	669,267
	834,267	875,517

There is a community benefit agreement in place where a balance is paid annually dependent upon the generation capacity of the scheme.

14. Related party transactions

The company has identified the following transactions which are to be disclosed under the terms of FRS 102 "Related party transactions"

Burton Wold Holdings Limited

The company has received an intercompany loan from Burton Wold Holdings Limited, the company's immediate parent. During the year the company was charged interest of £293,690 (2021: £48,785). At the year end, a balance of £4,124,002 (2021: £5,388,218) was included in creditors.

15. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking was Burton Wold Holdings Limited, a company registered in England and Wales.

Ultimately, the company is jointly owned by Renewable Energy Income Partnership III B Holdings Limited and REIP IV Holdings Limited, with both companies incorporated in the UK.

In the directors' opinion there is no ultimate controlling party.