Stornoway Wind Farm Limited

Directors' Report and financial statements

Registered number SC225262

31 December 2022

Contents

Company information

Directors	G Morton W Abbott S Walls J O'Sullivan
Auditor	KPMG LLP 66 Queen Square Bristol United Kingdom BS1 4BE
Registered office	Stornoway Wind Farm Limited C/O Edf Renewables Atria One 144 Morrison Street Edinburgh EH3 8EX

Directors' report

The Directors present' their report and the financial statements for the year ended 31 December 2022 for Stornoway Wind Farm Limited (the "Company").

The company is entitled to the Small Companies exemption from the requirement to prepare a Strategic Report.

Business review
During the year, the Company continued with the development of the wind farm project at Stornoway. This was funded by a shareholder loan from its immediate parent undertaking, Lewis Wind Power Holdings Limited. As a result both the tangible assets and the creditors of the Company have increased from the previous year.

Through the continued development work carried out in 2022, the Company secured planning permission from Scottish Ministers under Section 36 of the Electricity Act 1989 and secured a Contract for difference (CfD) from the Low Carbon Contracts Company (LCCC). The Company is in regular contact with SSE Transmission, who have also recently confirmed that their programme for the project remains on course and they intend to submit their Needs Case to Ofgem by the end of 2023.

Principal activities of the Company
The Company's principal activity is the development of a wind farm on the Isle of Lewis. It will continue in this activity for the foreseeable future.

Results and dividends
The loss for the year, before taxation, amounted to £ *9,000 (2021: a loss of £9,000) and loss after taxation amounted to £9,000 (2021:£9,000).* The Directors do not propose the payment of a dividend *(2021:£Nil)*.

Directors of the Company
The Directors who held office during the year, and to the date of the approval of these financial statements, were as follows:

D Mackay (resigned 30/06/2023)

G Morton

W Abbott

S Walls (appointed 29/04/2022)

C Duffy (resigned 29/04/2022)
The following director was appointed after the year end:
J O'Sullivan (appointed 30/06/2023)

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Political contributions
The Company made no political contributions in the year *(2021: £Nil)*

Directors' report (continued)

Going concern
The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the joint venture investors in the company's immediate parent, EDF Energy Renewables Limited and Amec Project Investments Limited, not seeking repayment of the amounts currently due to the respective groups of which they are members, which at 31 December 2022 amounted to £15,345,000, and providing further funds as required to develop the project. As with any company placing reliance on other entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Disclosure of information to the auditors
Each of the persons who is a Director at the date of approval of this annual report confirms that:

• so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
• the Directors 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor
It is noted that KPMG LLP as appointed by the members are deemed to be re-appointed as the auditor to the Company for the financial year ending 31 December 2023 in accordance with the provisions of Section 487(2) of the Companies Act 2006 and that the Directors have been authorised to set the remuneration of the auditor.

Approved by the Board on 26 July 2023 and signed on its behalf by:

DocuSigned by:
Stephen Walls
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S Walls
Director

Stornoway Wind Farm Limited
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Statement of Director's responsibilities in respect of the annual report and financial statements

The Directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the *UK and Republic of Ireland.*

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a rue 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 apply them consistently;
- make judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORNOWAY WIND FARM LIMITED

Opinion

We have audited the financial statements of Stornoway Wind Farm Limited ("the Company") for the year ended 31 December 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

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 loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORNOWAY WIND FARM LIMITED *(continued)*

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORNOWAY WIND FARM LIMITED *(continued)*

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STORNOWAY WIND FARM LIMITED *(continued)*

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

James Ledward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

28 July 2023

Profit and Loss Account and Other Comprehensive Income

for the Year Ended 31 December 2022

	Note	**2022 £ 000**	2021 £ 000
Administrative expenses		**(9)**	(9)
Operating loss	2, 3	**(9)**	(9)
Loss before tax		**(9)**	(9)
Tax	5	**-**	-
Loss for the financial year		**(9)**	(9)

There was no other comprehensive income for the current or preceding financial year other than that included in the profit and loss account.

All results were derived from continuing operations.

The notes on pages 12 to 20 form part of these financial statements.

Balance Sheet
as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed Asset			
Tangible Assets	6	**8,259**	8,067
Current assets			
Debtors	7	-	52
Cash at bank and in hand		**120**	121
		120	173
Creditors: Amounts falling due within one year	8	**(15,398)**	(15,250)
Net current liabilities		**(15,278)**	(15,077)
Total assets less current liabilities		**(7,019)**	(7,010)
Net liabilities		**(7,019)**	(7,010)
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		**(7,019)**	(7,010)
Shareholders' deficit		**(7,019)**	(7,010)

The notes on pages 12 to 20 form part of these financial statements.

The financial statements of Stornoway Wind Farm Limited (registered number SC225262) were approved and authorised by the Board on 26 July 2023 and signed on its behalf by:

DocuSigned by:
Stephen Walls
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S Walls
Director

Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
Balance as at 1 January 2022	**-**	**(7,010)**	**(7,010)**
Loss for the year	**-**	**(9)**	**(9)**
At 31 December 2022	**-**	**(7,019)**	**(7,019)**

	Called up share capital £ 000	Profit and loss account £ 000	Total £ 000
Balance as at 1 January 2021	-	(7,001)	(7,001)
Loss for the year	-	(9)	(9)
At 31 December 2021	-	(7,010)	(7,010)

The notes on pages 12 to 20 form part of these financial statements.

Notes to the financial statements

1 Accounting policies

General information and basis of accounting
Stornoway Wind Farm Limited (the "Company") is a private company incorporated, domiciled and resident in Scotland in the UK and resident in the UK for tax purposes. The registered number is SC225262 and the address of the registered office is given on page 1.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") section 1A*. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company meets the definition of a qualifying entity under FRS 102 Section 1A and therefore has taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement and remuneration of key management personnel. Under the The Companies Act 2006, the Company is entitled to small companies exemption in relation to the strategic report for the financial year 2022.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15.

Going concern
The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Those forecasts are dependent on the joint venture investors in the company's immediate parent, EDF Energy Renewables Limited and Amec Project Investments Limited, not seeking repayment of the amounts currently due to the respective groups of which they are members, which at 31 December 2022 amounted to £15,345,000, and providing further funds as required to develop the project. As with any company placing reliance on other entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe it will not do so.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Measurement convention
The financial statements are prepared on the historical cost basis.

Capitalised costs
All expenditure directly attributable to bringing the wind farm into the location and condition necessary for use is capitalised. Costs include turbine costs, land operating lease rentals, grid connection, civil engineering, cabling, lease related costs, community funds, telecoms, direct labour and the cost of materials.

Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and provision for impairment.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of acquisition of each asset less estimated residual value, evenly over its expected useful life, as follows:

Wind farm: 25 years

No depreciation is charged on assets in the course of construction until the asset becomes capable of operating in the manner intended by management.

Non-derivative financial instruments
Trade and other debtors
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors
Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. The carrying amount is increased by the finance cost in respect of the accounting year and reduced by payments made in the year.

Finance costs
Finance costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. The commencement of capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the assets ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete. The capitalisation rate used is the interest costs incurred on shareholder loans.

All other finance costs are recognised in the profit and loss account over the term of such instruments, at a constant rate on the carrying amount.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Cash and cash equivalents
Cash comprises cash in hand and deposits held which are repayable in demand.

Impairment excluding deferred tax assets
Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets
The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

Notes to the financial statements (continued)

1 Accounting policies (continued)

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Interest rate benchmark reform

The Company has adopted the Phase 2 amendments and retrospectively applied them from 1 January 2021. When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- The change is necessary as a direct consequence of the reform; and
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e., the basis immediately before the change.

When the changes were made to a financial asset or a financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

2 Auditor's remuneration

Fees payable to KPMG LLP and their associates for the audit of the Company's annual accounts were £9,180 *(2021: £8,500)*.

3 Directors' remuneration

None of the Directors had a service contract with the Company in the current or prior year, and received no remuneration from the Company during either year. They are all employed by other companies within the EDF group, and remuneration has been borne by those companies. Remuneration in respect of qualifying services for the Company is estimated to be a nominal amount (less than £5,000).

Notes to the financial statements (continued)

4 Staff costs

The company had no employees in 2022 *(2021: Nil)*.

5 Taxation

a) Total tax charge recognised in the profit and loss account:

	2022 **£'000**	2021 £'000
Current taxation		
UK corporation tax	-	-
Total current tax charge	-	-
Deferred taxation		
Origination and reversal of timing differences	-	-
Total deferred tax charge	-	-
Total tax charge on profit	-	-

(b) Reconciliation of effective tax rate:

	2022 **£'000**	2021 £'000
Profit/ (loss) before tax	**(9)**	(9)
Tax using the UK corporation tax rate of 19% (2021: 19%)	**(2)**	(2)
Effects of:		
Movement in deferred tax not recognised	**2**	2
Total tax charge	-	-

The Finance Act 2021 to increase the corporation tax rate to 25% from 1 April 2023 was substantively enacted on 24 May 2021. Deferred tax assets and liabilities at 31 December 2022 have been calculated based on the expected tax rate that will apply to the period in which the asset is realised or liability is settled.

Unrecognised deferred tax assets are attributable to the following:

	At 1 January 2022	**Unrecognised in profit and loss account**	**At 31 December 2022**
	£ 000	**£ 000**	**£ 000**
Unrecognised deferred tax asset	**2**	**2**	**4**

Unrecognised deferred tax movement during the prior year:

Notes to the financial statements (continued)

5 Taxation (continued)

	At 1 January 2021	Unrecognised in profit and loss account	At 31 December 2021
	£ 000	£ 000	£ 000
Unrecognised deferred tax asset	-	2	2

6 Tangible assets

	Assets under construction	**Total**
	£ 000	**£ 000**
Cost		
At 1 January 2022	8,067	8,067
Additions	192	192
At 31 December 2022	**8,259**	**8,259**
Depreciation	-	-
Carrying amount		
At 31 December 2022	**8,259**	**8,259**
At 31 December 2021	8,067	8,067

7 Debtors

	2022	2021
	£ 000	£ 000
Other taxation	-	52
	-	52

All balances are expected to be recovered within one year.

Notes to the financial statements (continued)

8 Creditors: amounts falling due within one year

	2022 £ 000	2021 £ 000
Accruals	**49**	146
Shareholder loan	**10,919**	10,919
Other taxation	**4**	-
Current account with group companies	**4,426**	4,185
	15,398	15,250

The shareholder loan is repayable on demand and attracts a zero percent interest rate.

9 Share capital

Allotted, called up and fully paid shares

	2022 Number	2022 £000	2021 Number	2021 £000
Ordinary Shares of £1 each	4	-	4	-

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

10 Financial commitments

Total amounts contracted for but not provided for in the financial statements amounted to £647,000 *(2021: £219,000)*. These relate to £647,000 *(2021: £219,000)* of total commitments on operating land leases.

Notes to the financial statements (continued)

11 Operating lease commitments

At 31 December 2022, the Company had total future minimum lease payments under non-cancellable operating leases on land as set out below:

	2022	2021
	£ 000	£ 000
Less than one year	**11**	10
Between one and five years	**48**	40
More than five years	**588**	169
	647	219

12 Related party transactions

The following related party transactions occurred during the current and prior years:

Related Party	**Relationship**	**Transaction**	**Charge 2022 £000**	**Liability outstanding 2022 £000**	Charge 2021 £000	Liability outstanding 2021 £000
Amec Foster Wheeler Group Limited	Associate	Management fees & expenses recharges	-	-	(3)	(18)
EDF Energy Renewables Limited	Associate	Management fees & expenses recharges	(33)	(1)	(212)	-
Wood Environment & Infrastructure Solutions UK Limited	Associate	Professional services	(22)	-	-	-
Lewis Wind Power Holdings Limited	100% shareholder	Shareholder loans	-	(10,919)	-	(10,919)
Lewis Wind Power Holdings Limited	100% shareholder	Current account balance	(241)	(4,426)	(556)	(4,185)

Notes to the financial statements (continued)

13 Parent undertaking and controlling party

Lewis Wind Power Holdings Limited holds a 100% interest in the Company and is considered to be the immediate parent undertaking and controlling party. The registered address of Lewis Wind Power Holdings Limited is C/O Edf Renewables, Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX.

The companies regarded by the Directors as being the ultimate parent undertakings are John Wood Group plc, a company incorporated in Scotland, and Electricité de France S.A., a company incorporated in France. Copies of the group accounts of John Wood Group plc can be obtained from John Wood Group plc, 15 Justice' Mill Lane, Aberdeen. ABI 1 6EQ Scotland. UK and those of Electricit de France S.A. from 22-30 Avenue de Wagram, 75008, Paris, Cedex 08, France.

14 Accounting estimates and judgement

The preparation of financial statements requires the use of accounting estimates and judgments, and requires management to exercise judgment in applying accounting policies. We continually evaluate our judgments and assumptions.

The Company holds on its balance sheet fixed assets related to the wind farm project. The carrying value recognised for these assets are included on the judgement that they will be recovered through build out of a project with economic benefit. In 2022, Stornoway Wind Farm Limited entered into the Contract for Difference ("CfD") auction round, held by the UK Government's BEIS department, and was successful in securing a bid. The CfD scheme supports low-carbon electricity generation by providing the company with a stabilised price for their future electricity output, protecting them from fluctuating wholesale prices. The company has won a CfD for 200 MW capacity. As such, it is assessed as likely that the project will continue to develop and the carrying value of the fixed assets will be recoverable through future economic benefit.