MILLENNIUM WIND ENERGY LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

Company number
SC254420

MILLENNIUM WIND ENERGY LIMITED

INDEX

Year ended 31 December 2020

Business Review

The Company is incorporated in the UK as a limited company and its registered office and principal place of business is located at Beauly House, Dochfour Business Centre, Dochgarroch, Inverness, IV3 8GY.

The principal activity of the Company is the generation of renewable energy through the operation of the 65.0 MW Millennium wind farm, located to the south west of Inverness, Scotland. The wind farm has been operating and generating electricity according to long-term expectations and the directors expect the Company to continue to operate the wind farm profitably in the future.

The principal Key Performance Indicator ("KPIs") for the Company is turnover. Turnover in the Company is predominantly affected by turbine availability, wind resource and electricity price. During the year, turnover decreased by £730,000 as a result low market prices, however there were good wind conditions and good turbine availability. Additional KPIs are disclosed in the financial statements of the Company's intermediate parent undertaking, Falck Renewables SpA which are publicly available on the web site www.falckrenewables.com.

The results of the Company are set out on page 11 and show a profit on ordinary activities before taxation of £7,981,000 (2019: profit of £8,819,000) and profit on ordinary activities after taxation of £5,925,000 (2019: profit of £7,095,000).

At year end the Company had total assets of £58,360,000 (2019: £60,786,000) and total liabilities of £42,128,000 (2019: £45,932,000).

Covid 19

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people and securing the supply of materials that are essential business. At this stage, the impact on our business and results has not been significant.

Brexit

The directors consider that the United Kingdom's withdrawal from the European Union will not have a material impact on its operations.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company are broadly grouped as follows:

Market price risk

The Company sells electricity using mainly medium term contracts and is subject to the risk of lower than expected market prices in the medium term. Market prices are monitored on an ongoing basis and the most beneficial sale prices and contract duration periods are negotiated using available information from time to time.

Weather

The Company's ability to generate electricity is dependent on the availability of wind. The Company obtains reports of wind availability from world class experts in this field and uses these reports for its business forecasts using a 50% probability factor, corrected for actual wind data for those plants which have been operating for at least five years. These reports are based on historical wind data and projected future forecasted energy production, taking into consideration technical characteristics of selected wind turbines. The wind risk is further mitigated by the banks generally considering even more prudent probability factors to determine their lending strategy to the projects.

Turbine availability

The performance of the Company is dependent on effective mechanical operation and maintenance of the turbines. A risk could be posed to the Company in the event that turbines do not operate correctly during periods of normal operational wind speeds due to mechanical breakdown as a consequence of a lack of maintenance. In order to mitigate this risk, the Company has entered into long-term contracts with the turbine suppliers which include contractual obligations regarding availability thresholds to ensure the assets operate to an agreed performance level, including financial penalties if these levels are not met.

By order of the Board

R.S. Dibley

R S Dibley
Director
4 March 2021

Registered No. SC254420

The Directors present their annual report for the year ended 31 December 2020.

Dividends

The Company declared and paid a dividend of £4,350,000 during the year (2019: £7,700,000).

Future developments

The future objective of the business is to maximise the returns generated from the assets.

Events since the balance sheet date

We have not noted any post balance sheet events.

Donations

The Company made a donation of £139,000, (2019: £146,000) to a local community foundation for the benefit of the local residents. The contributions are used for local community projects at the discretion of the foundation.

Directors of the Company

The directors of the company who were in office during the period and up to the date of signing the financial statements were:

S Toftgaard	
D Picton-Turbervill	
R S Dibley	
P P Adam	
F Kuster	
Z Sebti	(appointed 18 June 2020)
C Okholm	(resigned 18 June 2020)

The company secretary who held office during the year and subsequent to the year-end was TMF Corporate Administration Services Limited.

Directors' liabilities

The holding company of the Falck Renewables Wind Limited Group, Falck Renewables S.p.A, maintains directors' and officers' liability insurance with a third party which gives appropriate coverage, at certain terms and conditions, for losses/liabilities arising from claims made against the Company's directors.

Financial Instruments

The Company finances its activities with a combination of bank loans, cash and short term deposits. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's operating activities. The Company also enters into derivative transactions, including principally interest rate swaps. The purpose is to manage the interest rate risks arising from the Company's operations and its sources of finance.

Financial Instruments give rise to interest rate, credit, price and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes for their management and the methods used to measure each risk. An analysis of fair values of financial instruments and further details as to how they are measured are provided in the notes (Note 13).

Use of derivatives

The Company uses interest rate swaps to adjust interest rate exposures in order to guarantee fixed interest payments where payments are variable and hence exposed to interest rate movements. Hedge accounting is used when certain criteria is met as explained in the accounting policy note on page 18.

Market interest rate risk

The Company is financed by third parties. These loans carry interest at market related rates, resulting in market interest rate risk. These risks are evaluated on an ongoing basis and interest rate swaps are generally put in place to limit this risk. The Company has in place a risk management programme that seeks to limit adverse effects on the financial performance by monitoring levels of debt finance and the related finance costs.

In order to ensure the stability of cash outflows, the Company has taken out loans which are repayable in instalments over terms of at least 8 years. To reduce exposure to interest rate risk, the Company ensures it has an appropriate balance between fixed and floating rate loans and uses interest rate swaps where necessary to pay an effective fixed rate of interest.

Financial instruments (continued)

Credit risks

The Company sells electricity under the terms of a power purchase agreement. The contract is dependent on the buyer being able to honour its responsibilities. This risk is regarded as low as the buyer is a well established major electricity supply company with good credit ratings.

Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to liquidity, price, credit and weather risk are described in the Strategic Report and the Directors' Report on pages 3 and 4.

Having reviewed cash flow forecasts for the next 12 months from the date of the approval of the Financial Statements the directors believe that the Company has sufficient resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Directors' statement as to the disclosure of information to auditors

The directors who were members of the board at the time of approving the Directors' Report are listed on page 4. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditor

PricewaterhouseCoopers LLP ("PwC") was appointed as the company's external auditor, replacing Ernst & Young. A resolution proposing the appointment of PwC was approved at a Board Meeting.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

By order of the Board

R.S. Dibley

R S Dibley
Director
4 March 2021

Independent auditors' report to the members of Millennium Wind Energy Limited

Report on the audit of the financial statements

Opinion

In our opinion, Millennium Wind Energy Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Balance Sheet as at 31 December 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the regulation of the renewable energy industry in the UK, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to overstate revenue or understate expenditure, and management bias in accounting estimates. Audit procedures performed included:

- gaining an understanding of the legal and regulatory framework applicable to the company and the renewable energy industry in the UK, and considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud
- enquiry of management and those charged with governance around actual and potential litigation and claims and any instances of non-compliance with laws and regulations
- reviewing minutes of meetings of those charged with governance
- auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Kevin McGhee

Kevin McGhee (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
5 March 2021

MILLENNIUM WIND ENERGY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Turnover		18,082	*18,812*
Other operating income	4	281	-
Operating expenses	3	(9,165)	*(8,617)*
Operating profit		9,198	*10,195*
Interest receivable and similar income	5	9	*32*
Interest payable and similar cost	5	(1,226)	*(1,408)*
Profit on ordinary activities before taxation		7,981	*8,819*
Tax on ordinary activities	6	(2,056)	*(1,724)*
Profit on ordinary activities after taxation		5,925	*7,095*
Other comprehensive expense			
Items that may be reclassified to profit or loss			
Cash flow hedges:			
Losses arising during the year		(248)	*(200)*
Tax on items related to components of other comprehensive income		51	*33*
Other comprehensive expense for the year net of tax		(197)	*(167)*
Total comprehensive income for the year		5,728	*6,928*

All profits and losses arise as a result of continuing operations.

The notes on pages 13 to 32 form an integral part of these financial statements.

MILLENNIUM WIND ENERGY LIMITED

BALANCE SHEET

As at 31 December 2020

	Note	2020 £'000	2019 £'000
Non-current assets			
Tangible assets	7	40,152	*42,867*
Right-of-use assets	8	7,627	*8,143*
Trade and other debtors	9	979	*979*
		48,758	*51,989*
Current assets			
Trade and other debtors	9	4,591	*4,512*
Cash at bank and in hand	10	5,011	*4,285*
		9,602	*8,797*
Total assets		58,360	*60,786*
Equity			
Called up share capital	11	-	-
Other reserves		(355)	*(159)*
Retained earnings		16,587	*15,013*
Total equity		16,232	*14,854*
Non-current liabilities			
Loans	12	16,137	*21,304*
Deferred tax liabilities	14	5,273	*5,053*
Derivative financial instruments	13	480	*205*
Provision for liabilities and charges	15	3,735	*3,258*
Trade and other creditors	16	230	*230*
Lease liabilities	8	8,211	8,477
		34,066	*38,527*
Current liabilities			
Loans	12	5,167	*4,754*
Trade and other creditors	16	2,522	*2,489*
Lease liabilities	8	373	*162*
		8,062	*7,405*
Total liabilities		42,128	*45,932*
Total equity and liabilities		58,360	*60,786*

The notes on pages 13 to 32 form an integral part of these financial statements.

The financial statements of Millennium Wind Energy Limited were approved by the Board of Directors on 4 March 2021 and were signed on its behalf by:

R S Dibley R.S. Dibley

Director

MILLENNIUM WIND ENERGY LIMITED

STATEMENT OF CHANGES IN EQUITY

As at 31 December 2020

	Called up Share capital £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 January 2019	-	8	15,618	15,626
Profit on ordinary activities after taxation	-	-	7,095	7,095
Other comprehensive expense	-	(167)	-	(167)
Total comprehensive income for the year	-	(167)	7,095	6,928
Transactions with owners in their capacity as owners: Dividends (Note 18)	-	-	(7,700)	(7,700)
At 31 December 2019	-	(159)	15,013	14,854
Profit on ordinary activities after taxation	-	-	5,925	5,925
Other comprehensive expense	-	(197)	-	(197)
Total comprehensive income for the year	-	(197)	5,925	5,728
Transactions with owners in their capacity as owners: Dividends (Note 18)	-	-	(4,350)	(4,350)
At 31 December 2020	-	(356)	16,588	16,232

Other reserves relate to the cash flow hedge.

The notes on pages 13 to 32 form an integral part of these financial statements.

1 General information

Millennium Wind Energy Limited's ("the Company") principal activity is the generation of renewable energy through the development, construction and operation of the 65 MW Millennium wind farm, located South-West of Inverness, Scotland.

The Company is a private limited company incorporated and domiciled in Scotland, UK. The Company is limited by shares and the address of its registered office is Beauly House, Dochfour Business Centre, Dochgarroch, Inverness, IV3 8GY .

2 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 the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Millennium Wind Energy Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2(r).

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

• IFRS 7, 'Financial instruments: Disclosures'.

• Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).

• The following paragraphs of IAS 1, 'Presentation of financial statements':

- 10d) (statement of cash flows);
- 16 (statement of compliance with all IFRS);
- 38A (requirement for minimum of two primary statements, including cash flow statements);
- 38B– D (additional comparative information);
- 111 (statement of cash flows information); and
- 134– 136 (capital management disclosures).

• IAS 7, 'Statement of cash flows'.

• Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise indicated.

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2020 that have had a material impact on the company's financial statements.

(b) Going concern

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, details of its financial instruments and derivative activities, and its exposures to liquidity, price, credit and weather risk are described in the Strategic Report and Directors' Report on pages 3 and 5.

Having reviewed cash flow forecasts for the next 12 months from the date of the approval of the Financial Statements the directors believe that the Company has sufficient resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

2 Accounting policies

(c) Foreign currency translation

Transactions in foreign currencies are translated into the functional currency, Sterling, using the exchange rates prevailing at the dates of the individual transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rate ruling at the balance sheet date are recognised in profit or loss. Non-monetary assets and liabilities that are not carried at fair value are not subsequently restated and are carried at the rate of exchange at the date they are acquired.

(d) Turnover

Revenue from contracts with national energy suppliers is recognised when the electricity is transferred to the customer at an amount that reflects the consideration the Company expects to be entitled in exchange for the electricity, as described below:

- *Income from the sale of Electrical Energy*

The Company sells electricity under the terms of power purchase agreements ("PPAs"). Under such arrangements revenue is recognised according to contractual prices per unit of output multiplied by the actual power output delivered to the customer in the period.

A Renewable Obligation Certificate ("ROC") is a green certificate issued to accredited generators for eligible renewable electricity. One ROC is issued for each megawatt hour of eligible renewable electricity generated. Income from the sale of ROCs is recognised at the point of sale of the associated electricity at contractually agreed amounts. Income due to the Company from the operation of the ROCs recycling scheme is estimated on the basis of market data. Please refer to note 2(r) for further description of the ROCs recycling revenue estimate.

Income from the sale of electrical energy is recognised net of VAT and other sales taxes.

- *Other operating income*

Liquidated damages due from turbine suppliers, in respect of late commissioning of wind farm assets and failure to achieve availability thresholds as set out in asset supply contracts, are included in other income.

The company operates within one geographical market: the United Kingdom.

(e) Interest receivable and payable

Interest payable is recognised on a time-proportion basis using the effective interest rate method and expensed in profit or loss.

Interest receivable is recognised on a time-proportion basis using the effective interest method.

2 Accounting policies (continued)

(f) Tangible assets

Plant and equipment are principally wind farms comprising, inter alia, wind turbines and the balance of plant, including substations, and are stated at acquisition cost, net of accumulated depreciation (see below) and impairment losses. Costs include amounts payable to third party contractors for the construction of wind farms and other costs that are directly attributable to bringing assets into working condition for their intended use. The cost also includes, where relevant,

(i) the initial estimate at the time of installation of the costs of dismantling and removing the wind farm and of restoring the site on which it is located to its original condition and;

(ii) changes in the measurement of existing liabilities recognised for those costs during the period of use resulting from changes in the timing or outflow of resources required to settle the obligation or from changes in the discount rate.

Costs related to assets under construction are capitalised where, in the opinion of the Directors, the related project is highly likely to be successfully developed and the economic benefits arising from future operations will exceed the amount of capitalised expenditure incurred to date and the cost can be measured reliably. Costs incurred prior to meeting the criteria for capitalisation are recorded as an expense within operating costs in profit or loss.

Loan costs which are directly attributable to assets under construction and which meet the criteria in IAS23 are capitalised as part of the cost of those assets. Capitalisation ceases when the asset is fully operational.

Depreciation is provided on all tangible assets (except assets under construction which are not depreciated), at rates calculated to write off the cost, less estimated residual value, on a straight line basis over their expected useful lives. Depreciation is calculated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets. The estimated useful lives are as follows:

- Plant and machinery: 23 years

Depreciation commences when the asset is ready for its intended use. The residual values, if not insignificant, and remaining useful lives are reassessed at each balance sheet date. When parts of an item of tangible assets have different useful lives, those components are accounted for as separate items of tangible assets. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds received with the carrying amount and are recognised within Other income / (expenditure) net in profit or loss.

If not representing an embedded derivative which needs to be separately accounted from the host contract, the Company capitalises variable pricing at their fair value on initial recognition and recognises any subsequent changes in contingent consideration as adjustment of historical cost of plant and equipment.

Plant and machinery are reviewed for impairment at least once a year and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of nonfinancial assets are reviewed for possible reversal at each reporting date.

2 Accounting policies (continued)

(g) Leases

The Company assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

-Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. For the right-of-use assets held by the Company, the shorter of the two terms is the estimated useful life of 23 years.

-Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

Summary

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

2 Accounting policies (continued)

(h) Trade and other debtors

Trade receivables are amounts due from customers for the sale of Electrical energy in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The amount of the loss is recognised in profit or loss within operating expenses. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

(i) Cash at bank and in hand

Cash at bank and in hand includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within loans in current liabilities on the balance sheet where no right of set off exists.

(j) Trade creditors

Trade creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(k) Financial instruments and hedging activities

i) Financial assets

Initial recognition and measurement

The company classifies its financial assets in the following categories:
- Amortised cost.
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at FVPL are expensed in profit or loss. The Company's financial assets include cash and short-term deposits, trade and other receivables, loan notes, quoted and unquoted financial instruments, and derivative financial instruments.

ii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

iii) Financial assets at fair value through profit or loss

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

2 Accounting policies (continued)

(k) Financial instruments and hedging activities (continued)

(iv) Loss of value

IFRS 9 requires the Company to record expected credit losses on all bonds in its portfolio, loans and trade receivables referring to a period of either 12 months or the entire duration of the instrument's contract (e.g. lifetime expected loss). The Company applies the simplified approach, recognising expected credit loss on all receivables based on their residual contractual duration. The Company has calculated that its credit risk is generally very low, both in terms of trade clients (mainly electricity service providers or high standing utilities) and financial clients (leading banks).

Hedging activities

The Company uses derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate fluctuations. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is formally designated and documented at its inception. This documentation identifies the risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective in offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the reporting period for which they were designated.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedge: a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss;

- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction;

- hedge of a net investment in a foreign operation.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to profit or loss. Any gains or losses from derivatives that do qualify for hedging accounting are recognised in equity.

Following the financial crisis, the reform and replacement of benchmark interest rates such as GBP LIBOR and other inter-bank offered rates ('IBORs') has become a priority for global regulators. There remains some uncertainty around the timing and precise nature of these changes.
At the time of reporting, industry working groups are reviewing methodologies for calculating adjustments between GBP LIBOR and SONIA. The Working Group on Sterling and Risk-Free Reference Rates has stated that it anticipates that a term SONIA reference rate could be developed in the first quarter of 2021. Risks arising from the transition relate principally to the potential impact of rate differences if the debt and related hedging swaps do not transition to the new benchmark interest rate at the same time and/or the rates move by different amounts. This could result in hedge ineffectiveness and a net cash expense to the Company as a result of IBOR transition in the future.

(l) Loans and loan costs

All loans are initially recognised at the fair value of the consideration received net of issue costs associated with the loan. Loans are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value and other loan costs is recognised in profit or loss over the period of the loans using the effective interest method.

Loan costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other loan costs are expensed. Loans are classified as current liabilities unless the Company *has* an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date.

2 Accounting policies (continued)

(m) Income Taxes

Income tax on the result for the year comprises current and deferred tax. Income tax is recognised in the Company's profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income 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 periods.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

(n) Share capital and other reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Where contractually obliged, the Company creates provisions for the decommissioning of wind turbines from wind farms and environmental restoration. The decommissioning and restoration provisions reflect the present value, at the balance sheet date, of the estimated cost. The provisions are reviewed at each balance sheet date and are adjusted to reflect the present value of the expense expected to be realised for the settlement of the liability.

The future cost is recognised as an increase in the acquisition value of wind turbines. The depreciation expense of capitalised decommissioning and restoration costs are included in profit or loss together with the depreciation charge on wind farm assets. Any change in estimation in the estimated cost or the discount rate are added or deducted from the tangible asset's cost. The discounting effect on the provision is recorded in profit or loss as a finance cost.

(p) Dividend distribution

Dividend distribution to the company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the company's shareholders.

(q) Government grants

The award of green certificates (emission rights) is treated as a government grant by the Company. An intangible asset representing an entitlement to that grant is recognised at the point in time when the green electricity is produced. The entitlement is initially measured at the nominal amount (zero).

2 Accounting policies (continued)

(r) Critical accounting estimates and judgements

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.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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 discussed below.

Property plant and equipment

The Company estimates the useful lives and residual value of wind farm assets and other tangible assets and reviews these estimates at each financial period end. The Company also tests for impairment at least once a year and when a trigger event occurs.

Estimation of decommissioning costs

The Company estimates, at the time of construction, the likely cost of removing wind farm equipment and making good the damage to the site where a contractual decommissioning and restoration obligation exists. The estimated costs of decommissioning and subsequent site restoration are reviewed periodically and a provision is made for the estimated decommissioning cost at the balance sheet date. The provision reflects the present value (based on an appropriate discount rate), at the balance sheet date of the costs of decommissioning the wind farm at the end of its useful life.

Recognition of liquidated damages

Under the terms of construction and asset purchase agreements the Company has a legal right to liquidated damages in the event of late commissioning of wind farm assets or failure to achieve availability thresholds. Liquidated damages are recognised when receipt of payment is virtually certain.

Recognition of ROCs recycling

Revenue includes management's estimate of the recycled benefit to be received in relation to the ROCs generated during the year. Income from recycled benefit is variable and dependent on a number of factors including the UK's electricity demand and the targeted as well as actual level of renewable energy generated in the UK. ROCs recycling revenue is estimated on the basis of market data. The market reports have a wide and uncertain range of estimated prices. The accrued income for ROC recycle was recognised with the assumption of £0.29 per ROC (2019: £nil). A ROC value of £31,000 was recorded in the year relating to amounts previously accrued (2019: £nil).

Critical judgements in applying the Company's accounting policies

There are no critical judgements that have been made in applying the company's accounting policies that have had a material impact on the financial statements.

3 Operating Expenses

	2020 £'000	2019 £'000
Lease expense and council tax	956	*900*
Depreciation	3,678	*3,671*
Maintenance	1,904	*1,785*
Grid connection	1,741	*1,589*
Other	701	*672*
Other provision (Note 15)	185	-
	9,165	*8,617*

The company accrued £14,000 (2019: £16,000) to its auditors in respect of the audit of the financial statements.

No remuneration was paid to the directors for services to the Company (2019: £nil).

There are no employees in the Company and therefore no employee costs (2019: £nil).

The other amount includes intercompany costs of £158,000 from Falck Renewables Wind Limited that were incurred during the year (2019: £156,000).

4 Other operating income

Other income during 2020 represents compensation of £281,000 (2019: £nil) from maintenance suppliers in respect of failure to achieve availability thresholds as set out in supply contracts.

5 Net interest and similar costs

	2020 £'000	2019 £'000
Interest payable		
Bank fees and other charges	(91)	*(84)*
Bank loans	(742)	*(890)*
Other costs	(69)	*(98)*
Foreign exchange losses	-	*(12)*
Interest cost on lease liabilities	(324)	*(324)*
Total interest payable and similar costs	(1,226)	*(1,408)*
Interest receivable		
Other interest income	-	2
Bank interest receivable	9	*30*
Total interest receivable and similar income	9	*32*
Net interest and similar costs	(1,217)	*(1,376)*

6 Tax expense

	2020	**2019**
	£'000	**£'000**
Current tax charge - current year	(1,785)	*(1,901)*
Current tax charge - prior year	-	*(9)*
Deferred tax (charge)/credit (Note 14)	(271)	*186*
	(2,056)	*(1,724)*

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK applicable to profits of the Company as follows:

	2020	**2019**
	£'000	**£'000**
Profit on ordinary activities before taxation	7,981	*8,819*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019– 19.00%)	(1,516)	*(1,676)*
Expenses not deductible for tax purposes	10	*(10)*
Adjustments in respect of prior periods	32	*(37)*
Change in deferred tax rate	(584)	*(1)*
Other differences	2	-
	(2,056)	*(1,724)*

7 Tangible assets

	Plant and machinery £'000
Cost	
At 1 January 2019	81,769
Additions	65
At 31 December 2019	81,834
Additions	339
At 31 December 2020	82,173
Accumulated depreciation	
At 1 January 2019	35,909
Charge	3,058
At 31 December 2019	38,967
Charge	3,054
At 31 December 2020	42,021
Net book amount	
At 31 December 2020	40,152
At 31 December 2019	42,867

8 Right-of-use assets & lease liabilities

	Land £'000
At 1 January 2019	8,575
Additions	181
Depreciation expense	(613)
At 31 December 2019	8,143
Additions	108
Depreciation expense	(624)
At 31 December 2020	7,627

Set out below are the carrying amounts of lease liabilities (included under Lease liabilities) and the movements during the year.

	Lease liabilities £'000
At 1 January 2019	8,614
Accretion of interest	324
Inflation	181
Payments	(480)
At 31 December 2019	8,639
Accretion of interest	324
Inflation	108
Payments	(487)
At 31 December 2020	8,584

Analysis of lease liabilities amounts due by contractual maturity:

	2020 £'000	2019 £'000
Not later than one year	373	162
Between 1 and 5 years	2,292	1,974
Later than 5 years	5,919	6,503
	8,584	8,639

The variable rent expense related to the operating leases for the year was £241,000 (2019: £185,000). The company incurred £5,000 (2019: £8,000) during the year for short-term leases.

9 Trade and other debtors

	2020 £'000	2019 £'000
Non-current		
Amounts due from related parties (Note 17)	979	979
Current		
Trade debtors	708	4,037
Accrued income and prepayments	429	475
Corporation tax	69	-
Amounts due from related parties (Note 17)	3,385	-
	4,591	4,512

Amounts due from related parties have no fixed terms of repayment and do not bear interest.
Amounts due from related parties are mainly composed of group tax relief £979,000 (2019: £979,000) and trade receivables for the sale of electricity £3,385,000 (2019: £nil).
During the year, the Company entered into a Power Purchase Agreement with a group dispatching company, Falck Renewables Srl UK branch. Since November, it has sold its electricity to this new trading entity.

10 Cash at bank and in hand

	2020 £'000	2019 £'000
Cash at bank and in hand	5,011	4,285

11 Called up share capital

	2020 Number	2019 Number	2020 £'000	2019 £'000
Authorised				
Ordinary shares with a par value of £1	1,000	1,000	1	1
	1,000	1,000	1	1

All issued shares are fully paid.

	2020 Number	2019 Number	2020 £'000	2019 £'000
Issued				
Ordinary shares with a par value of £1	100	100	-	-
	100	100	-	-

12 Loans

	2020 £'000	2019 £'000
Non-current		
Bank loans	16,137	*21,304*
Current		
Bank loans	5,167	*4,754*
Total loans	21,304	*26,058*

Bank loans are denominated in sterling, repayable in instalments over seven years ending 15 April 2027 and are secured over the shares of the Company. Interest and principal repayments are payable half yearly and these loans bear interest at 6 month LIBOR plus a 1.4% and 2.25% margin. The loans are subject to certain financial covenants, all of which were met at 31 December 2020.

The amortised cost (carrying amount) and fair value of loans are as follows:

	Amortised cost		Fair value	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank loans	21,304	*26,058*	21,693	*26,538*
	21,304	*26,058*	21,693	*26,538*

The difference between Amortised cost and Fair Value is represented by transaction costs of £389,000 (2019: £480,000).

Analysis of financial liabilities (principal amounts: amounts due by contractual maturity):

	2020 £'000	2019 £'000
Not later than 1 year	5,258	*4,845*
Between 1 year and 5 years	14,414	*18,602*
Later than 5 years	2,021	*3,091*
Balance at end of year	21,693	*26,538*

The issued shares of the Company have been pledged as security for the loans. The shares are being held by the lenders "by way of security" as required by Scottish Law.

13 Derivative financial instruments

	2020 £'000 Assets	2020 £'000 Liabilities	2019 £'000 Assets	2019 £'000 Liabilities
Non-current				
Interest rate swaps	-	480	-	*205*
Balance at end of year	-	480	-	*205*

The Company uses derivatives to manage the risk associated with fluctuating interest rates on its long term loans. The derivatives held by the Company are for a period of 7 years expiring in 2027.

The Company met the requirements for hedge accounting for interest rate swaps with effect from 1 July 2008. Changes in the fair value of interest rate swaps before hedge accounting was applied were recognised immediately in profit or loss within finance income/costs. Subsequent changes are recognised in equity and recycled to profit or loss account in the period when the hedged item affects profit or loss. There was no ineffectiveness to be recorded in 2020.

The notional principal amount of the outstanding interest swap contract at 31 December 2020 was £12,947,000 (2019: £16,562,000). At 31 December 2020, the fixed interest rate was 1.125% (2019: 1:125%) and the main floating rate was LIBOR + margin. The maximum exposure to credit risk at each reporting date is the fair value of the derivative liability in the balance sheet for the portion of the loan covered by the interest rate swap contract.

In May 2019, the Company entered into an additional interest rate swap contract effective from 15th October 2019 which immediately met the requirements of hedge accounting. The notional principal amount of the outstanding interest rate swap contract at 31 December 2020 was £4,846,000 (2019: £5,290,000) with a fixed interest rate of 1.272% (2019: 1.272%) and LIBOR + margin as the floating rate.

14 Deferred tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The gross movement on the deferred income tax account is as follows:

	2020 £'000	2019 £'000
Beginning of year – liability	5,053	*5,272*
Profit or loss charge / (credit)	271	*(186)*
Other reserves credit	(51)	*(33)*
End of year - liability	5,273	*5,053*

The movement in deferred tax assets and liabilities during the year is as follows:

	Accelerated capital allowances £'000
Deferred tax liabilities	
At 1 January 2019	*5,283*
Credited to profit or loss	*(186)*
At 31 December 2019	*5,097*
Charged to profit or loss	271
At 31 December 2020	5,368

	Fair value Gain/Losses £'000
Deferred tax asset	
At 1 January 2019	*11*
Credited to other reserves	*33*
At 31 December 2019	*44*
Credited to other reserves	51
At 31 December 2020	95

The calculation of deferred tax balances at the year-end is at the UK main corporation tax rate of 19%, which was enacted on 17 March 2020. The comparative period used the enacted tax rate at that time of 17% for all timing differences expected to arise after 1 April 2020. The change in enacted tax rate has resulted in an increase in the deferred tax liability and charge, which is shown in the tax note. Deferred tax in both the current and prior year has been calculated using the tax rates that are expected to apply in the periods in which temporary differences reverse.

14 Deferred tax (continued)

These deferred tax balances are represented by:

	2020 £'000	2019 £'000
Tangible asset	5,356	*5,085*
Derivatives	(83)	*(32)*
	5,273	*5,053*

15 Provisions for liabilities and charges

	2020 £'000	2019 £'000
Balance at beginning of year	3,258	*3,144*
Provision made in the year	262	*65*
Discount unwinding	30	*49*
Other provision	185	*-*
Balance at end of year	3,735	*3,258*

The decommissioning provision of £3,550,000 (2019: £3,258,000) comprises future obligations in relation to the decommissioning of plant and equipment at the end of its useful life in 2032, based on independent expert valuations. The increase in the decommissioning provision is due to a change in the estimate of the long-term average annual inflation rate and the discount factor, and the valuation incorporating the updated estimate of dismantle costs and the associated cost to transport second-hand turbines.

The Other provision made in the year relates to a provision for a potential reimbursement to a customer for £185,000 (2019: £nil). Due to the uncertainty in settlement date, this provision has been classed as non-current.

16 Trade and other creditors

	2020 £'000	2019 £'000
Non-current		
Amounts due to related parties (Note 17)	230	*230*
Current		
Trade creditors	950	*779*
Accrued expenses	79	*139*
VAT payable	584	*446*
Corporation tax payable	-	*649*
Amounts due to related parties (Note 17)	909	*476*
	2,522	*2,489*

17 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. Transactions entered into, and trading balances outstanding at 31 December with other related parties, are as follows:

		2020		2019	
		Due from related party £'000	Due to related party £'000	Due from related party £'000	Due to related party £'000
1. Parent Company	Trade	-	52	-	*51*
	Other	979	29	979	*29*
2. Other shareholders	Trade	-	32	-	*29*
	Other	-	825	-	*395*
3. Other Group subsidiaries	Trade	3,385	-	-	*1*
	Other	-	201	-	*201*
	Total	4,364	1,139	979	*706*

Other amounts due to and from related parties relate to group tax relief.

18 Dividends

	2020 £'000	2019 £'000
Equity dividends on ordinary shares	4,350	*7,700*

Equity dividends of £43,500 per share was declared and paid during the year (2019: £77,000).

19 Commitments

Substation Access payment commitments

The company accesses a substation at the site of the wind farm on an contractual arrangement. The amount expensed in 2020 was £218,000 (2019: £218,000).

	2020 £'000	2019 £'000
Not later than 1 year	181	218
Between 1 year and 5 years	673	871
Later than 5 years	1,515	2,180
Balance at end of year	2,369	3,269

20 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Falck Renewables Wind Limited.

The ultimate parent undertaking and controlling party is Finmeria Srl, a company incorporated in Italy.

Finmeria Srl is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 December 2020. The consolidated financial statements of Finmeria Srl are available from Via Alberico Albricci 8, 20122 Milano, Italy.

Falck Renewables S.p.A is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Falck Renewables S.p.A can be obtained from via Alberto Falck 4-16, 20099 Sesto San Giovanni, Italy.