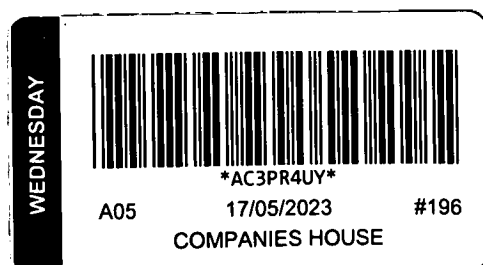


Pen Bryn Oer Limited
Directors' Report and
Audited Financial Statements For The Year Ended 31 December 2022



Pen Bryn Oer Limited (Registered number: 08241458)

**Contents of the Financial Statements
For The Year Ended 31 December 2022**

	Page
Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditors' Report	4
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

Pen Bryn Oer Limited

**Company Information
For The Year Ended 31 December 2022**

Directors:	J K Rhodes-Journeay S C Tetot
Registered office:	C/O RES Limited Beaufort Court Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
Registered number:	08241458 (England and Wales)
Independent auditors:	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool Merseyside L3 9AG
Bankers:	HSBC 3 Rivergate Temple Quay Bristol BS1 6ER

Pen Bryn Oer Limited (Registered number: 08241458)

**Directors' Report
For The Year Ended 31 December 2022**

The directors present their report with the financial statements of the Company for the year ended 31 December 2022.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Further information on the basis of preparation of these financial statements and the going concern assumption can be found in note 2.

Principal activity

The principal activity of the Company during the year was the operation of the 6.0MW wind farm at Pen Bryn Oer, Monmouthshire and this is expected to continue to be the principal activity of the Company.

Directors

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

J K Rhodes-Journeay
S C Tetot

Directors' indemnities

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.

Statement as to disclosure of information to auditors


So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, RSM UK Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

DocuSigned by:

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.....
S C Tetot - Director

5/10/2023

Date:

Pen Bryn Oer Limited (Registered number: 08241458)

**Statement of Directors' Responsibilities
For The Year Ended 31 December 2022**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Pen Bryn Oer Limited

Opinion

We have audited the financial statements of Pen Bryn Oer Limited (the 'Company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements of Pen Bryn Oer Limited (the 'company'):

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Pen Bryn Oer Limited

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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.

Independent Auditors' Report to the Members of Pen Bryn Oer Limited

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

Independent Auditors' Report to the Members of Pen Bryn Oer Limited

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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

DocuSigned by:

Jacqui Baker

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Jacqui Baker (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP
Chartered Accountants
14th Floor
20 Chapel Street
Liverpool
L3 9AG

12/05/2023

Date:

Pen Bryn Oer Limited (Registered number: 08241458)**Statement of Comprehensive Income
For The Year Ended 31 December 2022**

	Notes	2022 £	2021 £
Turnover		2,398,575	1,812,549
Cost of sales		(1,006,896)	(997,064)
Gross profit		1,391,679	815,485
Administrative expenses		(6,478)	(7,682)
Operating profit	4	1,385,201	807,803
Interest receivable and similar income		484	23
		1,385,685	807,826
Interest payable and similar expenses	5	(320,186)	(371,014)
Profit before taxation		1,065,499	436,812
Tax on profit		(284,845)	(275,949)
Profit for the financial year		780,654	160,863
Other comprehensive income		-	-
Total comprehensive income for the year		780,654	160,863

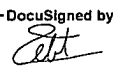
The notes on pages 11 to 20 form part of these financial statements

Pen Bryn Oer Limited (Registered number: 08241458)**Balance Sheet
31 December 2022**

	Notes	2022 £	2021 £
Fixed assets			
Tangible fixed assets	6	9,110,939	9,721,148
Current assets			
Debtors	7	886,202	776,548
Cash at bank		371,144	209,311
		<u>1,257,346</u>	<u>985,859</u>
Creditors			
Amounts falling due within one year	8	(7,244,119)	(7,978,156)
Net current liabilities		<u>(5,986,773)</u>	<u>(6,992,297)</u>
Total assets less current liabilities		3,124,166	2,728,851
Provisions for liabilities	10	(758,033)	(633,194)
Net assets		<u>2,366,133</u>	<u>2,095,657</u>
Capital and reserves			
Called up share capital		540,793	540,793
Retained earnings		1,825,340	1,554,864
		<u>2,366,133</u>	<u>2,095,657</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 5/10/2023 and were signed on its behalf by:

DocuSigned by:

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 S C Tetot - Director

The notes on pages 11 to 20 form part of these financial statements

Pen Bryn Oer Limited (Registered number: 08241458)**Statement of Changes in Equity
For The Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	540,793	1,648,450	2,189,243
Dividends	-	(254,449)	(254,449)
Total comprehensive income	-	160,863	160,863
Balance at 31 December 2021	<u>540,793</u>	<u>1,554,864</u>	<u>2,095,657</u>
Dividends	-	(510,178)	(510,178)
Total comprehensive income	-	780,654	780,654
Balance at 31 December 2022	<u><u>540,793</u></u>	<u><u>1,825,340</u></u>	<u><u>2,366,133</u></u>

The notes on pages 11 to 20 form part of these financial statements

Pen Bryn Oer Limited (Registered number: 08241458)

**Notes to the Financial Statements
For The Year Ended 31 December 2022**

1. General information

Pen Bryn Oer Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1A small entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior financial period.

Section 1A for small companies has been applied on the basis that the entity meets the criteria set out within the Companies Act. The directors believe the entity is part of an eligible group on the basis that the ultimate controlling party is not listed on any market.

The Company has taken advantage of the exemptions available to small entities under section 1A in relation to presentation of a cash flow statement and disclosures of net finance charge, current taxation, financial instruments, share capital and reserves.

The financial statements are prepared under the historical cost convention.

Going concern

The financial statements have been prepared on the basis that the Company is a going concern, as the directors consider this appropriate.

The directors have separately reviewed integrated forecasts for the Company, for the foreseeable future being at least 12 months from the date of approval of the annual report, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital.

In arriving at their conclusion, the directors have assessed the impact of the potential risk of the recent energy market disruption that has led to very high energy prices as a result of geo-political uncertainty and gas shortages stemming from Russia's invasion of Ukraine. It was noted that whilst any power price variability is not welcomed, although favourably in this instance, the uncertainty it brings is balanced out by the Company's other main source of revenue, the buyout revenues on Renewable Obligation Certificates (ROCs), which has fixed prices per MWh and therefore adds a degree of certainty to a portion of future revenues which heavily contributes to the going concern assumption.

The directors will continue to closely monitor the situation and to take appropriate action if deemed necessary. The directors have written confirmation that RI Income UK Holdings Limited will continue to financially support the Company during the 12 months following the date the financial statements are signed.

Pen Bryn Oer Limited (Registered number: 08241458)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022**

2. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Turnover

Turnover represents the value of power generated during the year, excluding value added tax, in the UK.

Turnover is recognised when the significant risks and rewards are considered to have transferred to the buyer and is recorded at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before turnover is recognised:

a) Generation and embedded benefits turnover

Turnover from the sale of electricity represents the invoice value, pre sales tax, of electricity provided to third parties and is recognised when electricity is generated. Embedded benefits are paid to generating plant located on the distribution network to reflect the lower cost of transporting electricity to the end user and are recorded at the invoice value.

b) TRIADS turnover

Turnover from the sale of TRIADS (bonus for generating at peak demand times during the winter months) represents the invoice value, before sales tax, of TRIADS provided to third parties and is recognised when eligible electricity is generated.

c) ROCs turnover

Renewable Obligation Certificates (ROCs) are issued to qualifying renewable generators under the terms of the generating station's OFGEM Renewable Obligation registration. These certificates may be traded separately from the electricity to which they relate. The ROCs are recorded as accrued income at fair value and recognised in turnover when the electricity to which they relate is generated. Any impairment of ROCs due to reduction in the market price is recorded in profit and loss.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - Straight line over 20 years

Plant and machinery is stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met, but excludes the costs of day-to-day servicing which is expensed as incurred.

Pen Bryn Oer Limited (Registered number: 08241458)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022**

2. Accounting policies - continued

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

Pen Bryn Oer Limited (Registered number: 08241458)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022**

**2. Accounting policies - continued
Financial instruments - continued**

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Pen Bryn Oer Limited (Registered number: 08241458)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022**

2. Accounting policies - continued

Impairment of assets (continued)

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Taxation

Current tax, including UK corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax assets and liabilities are offset only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

Pen Bryn Oer Limited (Registered number: 08241458)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022**

2. Accounting policies - continued

Cash

Cash at bank and in hand on the balance sheet comprise cash in hand and deposits held at call with banks.

Restricted cash amounts comprise of cash balances held with at bank that are only available to fund the capital expenditure of the wind farm construction or to fund the restoration of the land which the wind farm is built upon to its original state.

Dividend distribution

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

Decommissioning provision

Liabilities for decommissioning costs are recognised when the Company has an obligation to decommission and restore the land, with which the project has been built upon, to its original state. The obligation is assessed annually for changes in estimated costs which are then discounted to their net present value. If the net present value is deemed to be immaterial then no provision is recognised.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated plant and machinery and depreciated accordingly. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision with a corresponding decommissioning asset included within plant and machinery. Unwinding of the discount on the provision is included in the income statement within interest expense.

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Foreign currency translation

Transactions in foreign currencies, which are not subject to hedge relationship, are initially recorded in the functional currency rate ruling at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date, with movements in the sterling equivalent of the balance being taken to the Income Statement.

3. Employees and directors

There were no staff costs for the year ended 31 December 2022 nor for the year ended 31 December 2021.

The average number of employees during the year was NIL (2021 - NIL).

Services are provided to the Company through a third party asset management agreement.

Pen Bryn Oer Limited (Registered number: 08241458)**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022****3. Employees and directors - continued**

No Directors received any remuneration from the Company during the period (31 December 2021: Nil).

4. Operating profit

The operating profit is stated after charging:

	2022	2021
	£	£
Rentals under operating lease	71,051	75,972
Depreciation - owned assets	598,120	597,985
Auditor's remuneration - auditing of financial statements	5,915	7,684
	<u>675,086</u>	<u>1,281,641</u>

5. Interest payable and similar expenses

	2022	2021
	£	£
Interest payable to parent	317,802	368,714
Other interest	320	236
Unwinding of discount	2,064	2,064
	<u>320,186</u>	<u>371,014</u>

6. Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2022	12,039,647
Additions	(12,089)
At 31 December 2022	<u>12,027,558</u>
Depreciation	
At 1 January 2022	2,318,499
Charge for year	598,120
At 31 December 2022	<u>2,916,619</u>
Net book value	
At 31 December 2022	<u>9,110,939</u>
At 31 December 2021	<u>9,721,148</u>

Pen Bryn Oer Limited (Registered number: 08241458)**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022****7. Debtors**

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	58,674	44,806
Other debtors	1,411	1,411
Restricted cash	-	274,302
Accrued income	490,218	397,958
Prepayments	39,521	58,071
	<u>589,824</u>	<u>776,548</u>
Amounts falling due after more than one year:		
Restricted cash	<u>296,378</u>	<u>-</u>
Aggregate amounts	<u>886,202</u>	<u>776,548</u>

8. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	9,041	22,806
Amounts owed to group companies	6,749,467	7,742,679
VAT	127,000	67,167
Corporation tax	201,262	-
Accruals and deferred income	157,349	145,504
	<u>7,244,119</u>	<u>7,978,156</u>

Amounts owed to group companies are repayable on demand.

Within amounts owed to group companies is an interest free amount of £2,027,042 owed to Tranche 1 Holdings Limited (31 December 2021: £2,027,042), a loan bearing a fixed interest of 6.3% and no fixed term that is owed to BRI UK Finance Limited of £4,712,183 (31 December 2021: £5,666,203), a balance of £10,242 (31 December 2021: £nil) relating to group relief owed to Hallburn Farm Limited and the remaining balance relates to group relief estimates of £nil (31 December 2021: £49,434).

Included within the interest bearing amount is accrued interest of £25,079 (31 December 2021: £30,157).

Pen Bryn Oer Limited (Registered number: 08241458)**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022****9. Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	54,298	47,864
Between one and five years	217,190	191,458
In more than five years	1,194,546	1,100,881
	<u>1,466,034</u>	<u>1,340,203</u>

The Company has entered into lease agreements with the landowner on which its wind farm is situated to pay rent based on fixed amounts and amounts linked to output. The lease for the Company expires on 15 December 2049.

10. Provisions for liabilities

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	627,713	549,191
Other timing differences	-	(44,253)
Decommissioning Provision	130,320	128,256
	<u>758,033</u>	<u>633,194</u>

	Deferred tax	Decommissioning provision
	£	£
Balance at 1 January 2022	504,938	128,256
Provided during year	122,775	-
Unwinding of discounted amount	-	2,064
Balance at 31 December 2022	<u>627,713</u>	<u>130,320</u>

11. Related party disclosures

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Pen Bryn Oer Limited (Registered number: 08241458)

**Notes to the Financial Statements - continued
For The Year Ended 31 December 2022**

12. Ultimate controlling party

The ultimate parent undertaking and controlling party in this group is considered to be Renewable Income UK, a sub-fund of Blackrock Infrastructure Funds Public Limited Company, which is in turn an investment company registered in Ireland that accounts for investments at fair value and does not prepare consolidated financial statements.

The immediate parent company is Pen Bryn Oer Holdings Limited which does not prepare consolidated statements. Pen Bryn Oer Holdings Limited is registered in England and Wales and the financial statements are available from the registered office at C/O Reg White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire WD4 8LR.