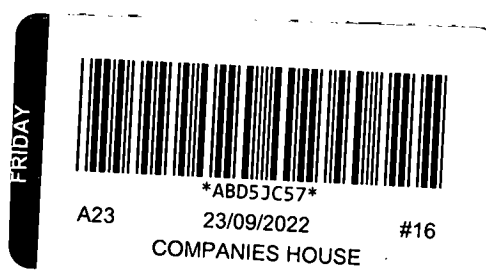


**Mynydd Portref Holdings Limited**  
**Directors' Report and**  
**Audited Consolidated Financial Statements For The Year Ended 31 December 2021**



**Mynydd Portref Holdings Limited**

**Contents of the Consolidated Financial Statements  
For The Year Ended 31 December 2021**

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**Mynydd Portref Holdings Limited**

**Company Information  
For The Year Ended 31 December 2021**

<b>Directors:</b>	J K Rhodes-Journeay S C Tetot
<b>Registered office:</b>	C/O RES White Limited Beaufort Court Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
<b>Registered number:</b>	08177747 (England and Wales)
<b>Independent auditors:</b>	RSM UK Audit LLP Chartered Accountants 14th Floor 20 Chapel Street Liverpool Merseyside L3 9AG
<b>Bankers:</b>	HSBC 3 Rivergate Temple Quay Bristol BS1 6ER

## **Mynydd Portref Holdings Limited**

### **Directors' Report For The Year Ended 31 December 2021**

The directors present their report with the financial statements of the Company and the Group for the year ended 31 December 2021.

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 Group in the period under review was the operation of the 12MW wind farm at Mynydd Portref in Rhondda Cynon Taf. The operation of the wind farm will continue to be the principal activity of the Group. Mynydd Portref Holdings Limited serves as a holding company for the subsidiary company which owns and operates the wind farm.

#### **Dividends**

The profit during the year ended 31 December 2021 was £800,193 (31 December 2020: £199,719 profit).

The directors paid interim dividends of £588,005 in the period (31 December 2020: £177,694).

The directors have not recommended payment of a final dividend (31 December 2020: £nil).

#### **Directors**

The directors shown below have held office during the whole of the period from 1 January 2021 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 period 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 Group'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 Group's auditors are aware of that information.

**Mynydd Portref Holdings Limited**

**Directors' Report  
For The Year Ended 31 December 2021**

**Auditors**

Deloitte LLP were replaced as auditors of the Company during the year by RSM UK Audit LLP and a resolution to re-appoint RSM UK Audit LLP will be proposed at the forthcoming Annual General Meeting.

**On behalf of the board:**

DocuSigned by:  
  
C8BAF5DC40EF444.....  
S C Tetot - Director

13 September 2022 | 10:13 PDT  
Date: .....

## **Mynydd Portref Holdings Limited**

### **Statement of Directors' Responsibilities For The Year Ended 31 December 2021**

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 the Group and of the profit or loss of the Group 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 and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditors' Report to the Members of Mynydd Portref Holdings Limited**

### **Opinion**

We have audited the financial statements of Mynydd Portref Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company 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 Mynydd Portref Holdings Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities 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 Group 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 Group's and the Parent 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.

## **Independent Auditors' Report to the Members of Mynydd Portref Holdings Limited**

### **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.

### **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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 or in preparing the directors' report.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 Group's and the Parent 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 Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.



## **Independent Auditors' Report to the Members of Mynydd Portref Holdings 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 group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are 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 group 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 Mynydd Portref Holdings 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](http://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

15 September 2022 | 11:57 BST

Date: .....

**Mynydd Portref Holdings Limited****Consolidated Statement of Comprehensive Income  
For The Year Ended 31 December 2021**

	Notes	2021 £	2020 £
<b>Turnover</b>	3	4,008,299	2,903,419
Cost of sales		(1,857,881)	(1,887,212)
<b>Gross profit</b>		2,150,418	1,016,207
Administrative expenses		(8,130)	(6,081)
<b>Operating profit</b>	4	2,142,288	1,010,126
Interest receivable and similar income		36	-
		2,142,324	1,010,126
Interest payable and similar expenses		(673,151)	(735,394)
<b>Profit before taxation</b>		1,469,173	274,732
Tax on profit		(668,980)	(75,013)
<b>Profit for the financial year</b>		800,193	199,719
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		800,193	199,719
Profit attributable to: Owners of the parent		800,193	199,719
Total comprehensive income attributable to: Owners of the parent		800,193	199,719

The notes on pages 14 to 24 form part of these financial statements

**Mynydd Portref Holdings Limited (Registered number: 08177747)****Consolidated Balance Sheet  
31 December 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	6	16,833,534	17,920,986
Investments	7	-	-
		<u>16,833,534</u>	<u>17,920,986</u>
<b>Current assets</b>			
Debtors	8	1,638,538	1,608,383
Cash at bank		606,754	542,846
		<u>2,245,292</u>	<u>2,151,229</u>
<b>Creditors</b>			
Amounts falling due within one year	9	(17,244,426)	(18,947,347)
<b>Net current liabilities</b>		<u>(14,999,134)</u>	<u>(16,796,118)</u>
<b>Total assets less current liabilities</b>		1,834,400	1,124,868
<b>Provisions for liabilities</b>	11	(1,444,189)	(946,845)
<b>Net assets</b>		<u>390,211</u>	<u>178,023</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
Retained earnings		390,210	178,022
		<u>390,211</u>	<u>178,023</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 13 September 2022. 10:13 PDT and were signed on its behalf by:

DocuSigned by:  
  
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 S C Tetot - Director


The notes on pages 14 to 24 form part of these financial statements

**Mynydd Portref Holdings Limited (Registered number: 08177747)****Company Balance Sheet  
31 December 2021**

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	6	-	-
Investments	7	1	1
		<u>1</u>	<u>1</u>
<b>Current assets</b>			
Debtors	8	1	1
<b>Creditors</b>			
Amounts falling due within one year	9	(1)	(1)
<b>Total assets less current liabilities</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital		1	1
		<u>1</u>	<u>1</u>
 Company's profit for the financial year		 588,005	 177,694

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 13 September 2022 | 10:13 PDT and were signed on its behalf by:

DocuSigned by:  
  
 C8BAF5DC48EF444.....  
 S.C Tetot - Director

The notes on pages 14 to 24 form part of these financial statements

**Mynydd Portref Holdings Limited****Consolidated Statement of Changes in Equity  
For The Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2020</b>	1	155,997	155,998
<b>Changes in equity</b>			
Dividends	-	(177,694)	(177,694)
Total comprehensive income	-	199,719	199,719
<b>Balance at 31 December 2020</b>	1	178,022	178,023
<b>Changes in equity</b>			
Dividends	-	(588,005)	(588,005)
Total comprehensive income	-	800,193	800,193
<b>Balance at 31 December 2021</b>	1	390,210	390,211

The notes on pages 14 to 24 form part of these financial statements

**Mynydd Portref Holdings Limited****Company Statement of Changes in Equity  
For The Year Ended 31 December 2021**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2020</b>	1	-	1
<b>Changes in equity</b>			
Dividends	-	(177,694)	(177,694)
Total comprehensive income	-	177,694	177,694
<b>Balance at 31 December 2020</b>	<u>1</u>	<u>-</u>	<u>1</u>
<b>Changes in equity</b>			
Dividends	-	(588,005)	(588,005)
Total comprehensive income	-	588,005	588,005
<b>Balance at 31 December 2021</b>	<u>1</u>	<u>-</u>	<u>1</u>

The notes on pages 14 to 24 form part of these financial statements

## **Mynydd Portref Holdings Limited**

### **Notes to the Consolidated Financial Statements For The Year Ended 31 December 2021**

#### **1. General information**

Mynydd Portref Holdings 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 General 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 Group is a going concern, as the directors consider this appropriate.

The directors have separately reviewed integrated forecasts for the Group, for the foreseeable future being at least 12 months from the date of approval of the annual report, which indicate that the Group will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital. The review includes stress testing the integrated forecasts to model how the different scenarios might impact the business.

In arriving at their conclusion, the directors assessed the impact of a resurgence in the Covid-19 pandemic and the potential risks 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, the uncertainty it brings is balanced out by the Group'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 Group during the 12 months following the date the financial statements are signed.



## **Mynydd Portref Holdings Limited**

### **Notes to the Consolidated Financial Statements - continued For The Year Ended 31 December 2021**

#### **2. Accounting policies - continued**

##### **Basis of consolidation**

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31st December each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

##### **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.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Deferred taxation**

Deferred tax assets are only recognised when management deem that it is highly probable that there will be sufficient taxable profits in future periods which can utilise the deferred tax asset.

##### **Operating lease commitments**

The classification of leases as operating or finance leases requires the Company to determine, based on evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires recognition on the balance sheet.

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### **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. Refer to note 12.

## **Mynydd Portref Holdings Limited**

### **Notes to the Consolidated Financial Statements - continued For The Year Ended 31 December 2021**

#### **2. Accounting policies - continued**

##### **Turnover**

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

##### **Turnover recognition**

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.

Assets in the course of construction are stated at cost and are recognised only when it is probable that a project under development will be constructed by the Company. This decision is based on management judgement when the project meets key criteria required by its successful development, including planning permission and grid access. Assets in course of construction are transferred to fixed assets on the commercial operational date of 28 April 2017.

## **Mynydd Portref Holdings Limited**

### **Notes to the Consolidated Financial Statements - continued For The Year Ended 31 December 2021**

#### **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 statement of financial position 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.

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.

## **Mynydd Portref Holdings Limited**

### **Notes to the Consolidated Financial Statements - continued For The Year Ended 31 December 2021**

#### **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.

## **Mynydd Portref Holdings Limited**

### **Notes to the Consolidated Financial Statements - continued For The Year Ended 31 December 2021**

#### **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 banks that are only available to fund the capital expenditure of the wind farm construction.

##### **Accrued income**

Accrued income represents accruals for electricity generation and ROC income not yet billed.

##### **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 equipment 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 and corresponding decommissioning asset included within plant and equipment. Unwinding of the discount on the provision is included in the income statement within interest expense.

**Mynydd Portref Holdings Limited****Notes to the Consolidated Financial Statements - continued  
For The Year Ended 31 December 2021****2. Accounting policies - continued****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.

**Borrowing costs**

Borrowing costs are generally expensed as incurred. Borrowing costs that are directly attributable to the construction of an asset are capitalised while the asset is being constructed as part of the cost of that asset. Capitalisation of borrowing costs commences when:

- Expenditures for the asset and borrowing costs are being incurred; and
- Activities necessary to prepare the asset for its intended use are in progress.

Capitalisation ceases when the asset is substantially ready for its intended use or sale. For borrowings associated with a specific asset, the actual rate on that borrowing is used.

**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 profit and loss account

**Investments**

Fixed asset investments are stated at cost less any provision for impairment.

**3. Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the Group.

**4. Operating profit**

The operating profit is stated after charging:

	2021	2020
	£	£
Rentals under operating lease	165,714	193,533
Depreciation - owned assets	1,086,036	1,086,117
Auditor's remuneration - auditing of financial statements	7,830	5,482
	<u>1,259,580</u>	<u>1,285,132</u>

**5. Individual statement of comprehensive income**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

The result of the Company for the financial year has been included within the Company balance sheet.

**Mynydd Portref Holdings Limited****Notes to the Consolidated Financial Statements - continued  
For The Year Ended 31 December 2021****6. Tangible fixed assets****Group**

	Plant and machinery £
<b>Cost</b>	
At 1 January 2021	21,847,532
Additions	(1,416)
	<hr/>
At 31 December 2021	21,846,116
	<hr/>
<b>Depreciation</b>	
At 1 January 2021	3,926,546
Charge for year	1,086,036
	<hr/>
At 31 December 2021	5,012,582
	<hr/>
<b>Net book value</b>	
At 31 December 2021	16,833,534
	<hr/>
At 31 December 2020	17,920,986
	<hr/>

**7. Fixed asset investments****Company**

	Shares in group undertakin £
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	1
	<hr/>
<b>Net book value</b>	
At 31 December 2021	1
	<hr/>
At 31 December 2020	1
	<hr/>

Investments are directly owned 100% holdings of the ordinary share capital of one subsidiary, Mynydd Portref Limited. This subsidiary is incorporated in the United Kingdom with the principal activity in the period being the operation of a wind farm. The registered address of the investments is C/O Reg White Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire WD4 8LR.

**Mynydd Portref Holdings Limited****Notes to the Consolidated Financial Statements - continued  
For The Year Ended 31 December 2021****8. Debtors**

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	65,599	136,261	-	-
Amounts owed by group undertakings	205,745	597,318	-	-
Other debtors	-	148,250	-	-
Tax	43,108	-	-	-
Called up share capital not paid	2	2	1	1
Accrued income	985,346	531,284	-	-
Prepayments	190,488	195,268	-	-
	<u>1,490,288</u>	<u>1,608,383</u>	<u>1</u>	<u>1</u>
Amounts falling due after more than one year:				
Other debtors	<u>148,250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Aggregate amounts	<u>1,638,538</u>	<u>1,608,383</u>	<u>1</u>	<u>1</u>

Amounts owed by group companies are repayable on demand.

Within amounts owed to group companies is a balance related to intercompany group relief estimates of £nil (31 December 2020: £205,745, a balance of £nil (31 December 2020: £391,573) relating to group relief owed from Glens of Foudland Wind Farm, a balance of £21,126 (31 December 2020: £nil) relating to group relief owed from NSD2 Ltd, a balance of £12,506 (31 December 2020: £nil) relating to group relief owed from Denzell Downs Ltd, a balance of £26,051 (31 December 2020: £nil) relating to group relief owed from Mendennick Solar Ltd, a balance of £34,015 (31 December 2020: £nil) relating to group relief owed from Old Rides Solar Ltd and a balance of £112,047 (31 December 2020: £nil) relating to group relief owed from Tormywheel Wind Farm Ltd.

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

	<b>Group</b>		<b>Company</b>	
	2021	2020	2021	2020
	£	£	£	£
Trade creditors	11,712	37,443	-	-
Amounts owed to group undertakings	16,887,658	18,608,063	1	1
VAT	203,411	134,239	-	-
Accruals and deferred income	141,645	167,602	-	-
	<u>17,244,426</u>	<u>18,947,347</u>	<u>1</u>	<u>1</u>



**Mynydd Portref Holdings Limited****Notes to the Consolidated Financial Statements - continued  
For The Year Ended 31 December 2021****9. Creditors: amounts falling due within one year - continued**

Amounts owed to group companies are repayable on demand.

Within amounts owed to group companies is an interest free amount of £4,824,016 owed to RI Income UK Holdings Limited (31 December 2020: £5,292,410), a loan bearing a fixed interest of 6.3% and no fixed term that is owed to BRI UK Finance Limited of £9,929,841 (31 December 2020: £11,269,734), a balance of £87,882 (31 December 2020: £nil) that relates to group relief estimates and a short term intercompany balances owed to Mynydd Brombil Limited of £2,045,918 (31 December 2020: £2,045,918).

Included within the interest bearing amount is accrued interest of £53,209 (31 December 2020: £59,980).

**10. Leasing agreements**

Minimum lease payments fall due as follows:

**Group**

	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	74,160	69,913
Between one and five years	296,641	279,652
In more than five years	1,260,724	1,258,432
	<u>1,631,525</u>	<u>1,607,997</u>

**11. Provisions for liabilities**

	Group	
	2021	2020
	£	£
Deferred tax		
Accelerated capital allowances	<u>1,187,677</u>	<u>694,461</u>
Other provisions		
Decommissioning provision	<u>256,512</u>	<u>252,384</u>
Aggregate amounts	<u>1,444,189</u>	<u>946,845</u>

**Mynydd Portref Holdings Limited****Notes to the Consolidated Financial Statements - continued  
For The Year Ended 31 December 2021****11. Provisions for liabilities - continued****Group**

	Deferred tax £	Decommi £
Balance at 1 January 2021	694,461	252,384
Provided during year	493,216	-
Unwinding of discounted amount	-	4,128
Balance at 31 December 2021	<u>1,187,677</u>	<u>256,512</u>

**12. Ultimate parent company**

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

The immediate parent company as at 31 December 2021 is RI Income UK Holdings Limited, an investment company registered in England & Wales which accounts for investments at fair value and does not prepare consolidated financial statements. The financial statements are available from the registered office at 12 Throgmorton Avenue, London, EC2N 2DL.

**13. Off-balance sheet arrangements**

The Company enters into operating lease arrangements for the land on which the wind farm is located. The Company's lease rental expense is disclosed in note 5 and the Company commitments under these arrangements are disclosed in note 11. There are no other material off-balance sheet arrangements.

**14. 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.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.