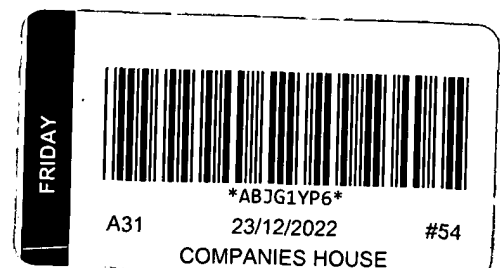


Registration number: 07294599

Berwick Bank C Limited
(formerly Marr Bank Wind Limited)

Directors report and Financial Statements
for the Year Ended 31 March 2022



Berwick Bank C Limited

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Berwick Bank C Limited

Company Information

Directors	P. Cooley E. Harley B. O'Regan A. Malone F. McCutcheon A. Shah S. Wheeler
Company secretary	B. O'Connor
Registered office	No.1 Forbury Place 43 Forbury Road Reading United Kingdom RG1 3JH
Auditors	Ernst & Young LLP G1 Building 5 George Square Glasgow United Kingdom G2 1DY
Registered number	07294599

Berwick Bank C Limited

Strategic Report for the Year Ended 31 March 2022

The directors present their report for the year ended 31 March 2022.

This Strategic Report has been prepared in accordance with the requirements of Section 414 of the Companies Act 2006. Its purpose is to inform shareholders and help them assess how the directors have performed their duty to promote the success of Berwick Bank C Limited.

The Strategic and Financial Review sets out the main trends and factors underlying the development and performance of Berwick Bank C Limited (the "Company") during the year ended 31 March 2022, as well as those matters which are likely to affect its future development and performance.

Fair review of the business

Located in the North Sea, in the outer Firth of Forth, Berwick Bank C is part of a wider offshore development which could achieve 4.1GW of installed capacity.

Berwick Bank Offshore Wind Farm is in the early stages of development by SSE Renewables. The proposal is approximately 40km off the coast of East Lothian, close to the already consented Seagreen development being developed by SSE Renewables and Total.

SSE Renewables, headquartered in Perth, is a leading developer and operator of renewable energy, with a portfolio of around 4GW of offshore wind, onshore wind and hydro-power across the UK & Ireland. SSE Renewables has a proven track record of delivering offshore wind projects that bring benefits to the local economy and across the UK.

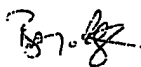
Financial performance

The company does not generate any revenue and the directors assess financial performance by careful review of the intangible assets in the business. The intangible asset represents the value of the development as it is stewarded through the development process. The value of intangible assets at 31 March 2022 were £17.8m (2021: £13.6m).

Principal risks and uncertainties

The principal risk facing the Company is that Berwick Bank Offshore Wind Farm will not progress to final investment decision and will not be developed to completion.

Approved by the Board on 19 December 2022 and signed on its behalf by:



.....
B. O'Regan
Director

Berwick Bank C Limited

Directors' Report for the Year Ended 31 March 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

The directors present their report and financial statement for Berwick Bank C Limited (the "Company") for the year ended 31 March 2022.

Change of company name

The company changed its name from Marr Bank Wind Limited to Berwick Bank C Limited effective from 10 March 2022.

Directors' of the company

The directors, who held office during the year, were as follows:

P. Cooley

J. Downes (ceased 1 April 2022)

E. Harley

A. Honeyman (ceased 31 December 2021)

B. O'Regan

J. Smith (ceased 1 February 2022)

J. Williamson (ceased 1 April 2022)

A. Shah (appointed 15 September 2021)

S. Wheeler (appointed 1 January 2022)

The following directors were appointed after the year end:

A. Malone (appointed 1 April 2022)

F. McCutcheon (appointed 1 April 2022)

Principal activity

The principal activity of the company is the development of the Berwick Bank C wind site as part of a wider development in the North Sea, in the outer Firth of Forth.

Dividends

The directors do not recommend payment of a dividend (2021: £nil) be made in respect of the financial year ended 31 March 2022.

Future developments

The company aims to continue with the development of the Berwick Bank C offshore wind project. Along with this, the company is expected to continue to operate under its principal activities in the near future, which remain part of the Group's long-term strategy.

Berwick Bank C Limited

Directors' Report for the Year Ended 31 March 2022 (continued)

Political donations

During the year, the Company made no political donations (2021: £nil).

Environmental matters

The Company is exempt from making disclosures in line with the Streamlined Energy and Carbon Reporting ('SECR') requirements as it is a wholly owned subsidiary of SSE plc. The consolidated disclosures of the Group are available on pages 40 - 57 of the Group's 2022 annual report

Going concern

The financial statements are prepared on a going concern basis which has been supported by the provision of a parental letter of support from SSE plc. The Group letter of support confirms that the Group will provide support to 31 December 2023 where required. The Directors are satisfied that the Group has the ability to provide this support, should it be required.

In assessing the financial strength of the letter of support provided, the directors considered the cash balance of £289.3m at 30 September 2022, the committed bank facilities of £2.5bn maintained by the Group (including the £1.0bn facility entered into in November 2022), and the current commercial paper market conditions including the Group's success in refinancing maturing debt with the issuance of £2.1bn of long and short term debt since 31 March 2022 and the issuance of £831.4m of hybrid equity in April 2022, and the Group's credit rating. The Group's period of going concern assessment is performed to 31 December 2023, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. The directors are not aware of any subsequent events that would have a material impact on the going concern assessment. As well as taking account of the factors noted, the going concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

Having reviewed the financial strength of the Group, the directors are satisfied that the Group, and the Company itself, will remain funded for foreseeable future. The Directors have therefore concluded it is appropriate for the financial statements to be prepared on a going concern basis.

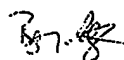
Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Appointment of auditors

The auditors Ernst & Young LLP are deemed to be appointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 19 December 2022 and signed on its behalf by:



.....
B. O'Regan
Director

Berwick Bank C Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and regulations.

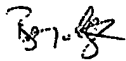
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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 in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- state whether applicable UK Accounting Standards including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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. Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors' report, that comply with that law and those regulations.

Approved by the Board on 19 December 2022 and signed on its behalf by:



.....
B. O'Regan
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERWICK BANK C LIMITED

Opinion

We have audited the financial statements of Berwick Bank C Limited for the year ended 31 March 2022 which comprise Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 Auditor's 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 to 31 December 2023.

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

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 this 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERWICK BANK C LIMITED (continued)

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERWICK BANK C LIMITED (continued)

fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS101 and Companies Act 2006) and relevant tax compliance regulations in the UK. We also determined there was no non-compliance with regulatory requirements, including the Office of Gas and Electricity Markets (Ofgem).
- We understood how Berwick Bank C Limited is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We verified our enquiries through our review of board minutes and papers provided to the Renewables EXCO board and SSE plc Audit Committee.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their propensity to influence on efforts made by management to manage earnings. We considered the programmes and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls at a group level. Where the risk was considered to be higher, we performed audit procedures to address the identified fraud risk, management override of controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business, enquiries of legal counsel and management and focused tested. In addition, we completed procedures to conclude on the compliance of the disclosures in the financial statements and accounts with all applicable requirements.

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

Use of our report

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

Ernst & Young LLP.

.....
Nicola McIntyre (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
G1 Building, 5 George Square
Glasgow
G2 1DY
20 December 2022

Berwick Bank C Limited

Profit and Loss Account for the Year Ended 31 March 2022

	Note	2022 £ 000	2021 £ 000
Turnover		-	-
Operating profit/(loss)		-	-
Profit/(loss) before tax		-	-
Tax on loss	6	(49)	-
Loss for the year		(49)	-

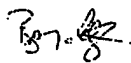
The above results were derived from continuing operations.

The company had no other comprehensive income in the current or prior financial years

Berwick Bank C Limited
(Registration number: 07294599)
Balance Sheet as at 31 March 2022

	Note	31 March 2022 £ 000	31 March 2021 £ 000
Fixed assets			
Intangible assets	7	17,786	13,575
Current assets			
Debtors	9	302	1
Cash at bank and in hand	10	-	874
Current tax asset		129	7
		<u>431</u>	<u>882</u>
Current liabilities			
Creditors: amounts falling due within one year	11	<u>(2,498)</u>	<u>(1,094)</u>
Net current liabilities		<u>(2,067)</u>	<u>(212)</u>
Total assets less current liabilities		<u>15,719</u>	<u>13,363</u>
Creditors: Amounts falling due after more than one year			
Amounts due to Group undertakings		(15,566)	(13,356)
Deferred tax liabilities		<u>(202)</u>	<u>(7)</u>
		<u>(15,768)</u>	<u>(13,363)</u>
Net liabilities		<u>(49)</u>	<u>-</u>
Capital and reserves			
Called up share capital	12	-	-
Profit and loss account		<u>(49)</u>	<u>-</u>
Shareholders' deficit		<u>(49)</u>	<u>-</u>

Approved by the Board on 19 December 2022 and signed on its behalf by:



.....
B. O'Regan
Director

Berwick Bank C Limited

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

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2021	-	-	-
Loss for the year	-	(49)	(49)
At 31 March 2022	-	(49)	(49)
	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 April 2020	-	-	-
Profit/(loss) for the year	-	-	-
At 31 March 2021	-	-	-

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

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated and domiciled in United Kingdom. These financial statements were authorised for issue by the Board on 19 December 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Basis of preparation

These financial statements were prepared in accordance United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the company has applied the recognition, measurement and disclosure requirements of UK adopted International Financial Reporting Standards, but has made amendments, where necessary, in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

Summary of disclosure exemptions

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes required by IAS 7;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets required by IAS 1, IAS 16 and IAS 36 respectively;
- The effect of new, but not yet effective, IFRSs required by IAS 1;
- Disclosures in respect of the compensation of key management personnel required by IAS 24;
- Disclosures in respect of capital management required by IAS 1; and
- Related party disclosures required by IAS 24.

As the consolidated financial statements of SSE plc include the equivalent disclosure, the company has also taken advantage the exemptions, under FRS 101, available in respect of the following disclosures:

- Certain disclosures required by IAS 36, Impairment of assets, in respect of the impairment of goodwill and life intangible assets; and
- Certain disclosures required by IFRS 13, Fair value measurement, and the disclosures required by IFRS 7, Financial instrument disclosures.

Employee share based payments have not been disclosed on the basis of materiality.

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

2 Accounting policies (continued)

Consolidated accounts

The company is a subsidiary of SSE plc and the financial statements of the company are consolidated with the consolidated financial statements of that company. Consolidated accounts have not been prepared as the company is availing itself of the exemption whereby, as a wholly owned subsidiary of an entity which prepares consolidated accounts, it is not required to prepare consolidated accounts under section 400 of the Companies Act 2006.

Going concern

The financial statements are prepared on a going concern basis which has been supported by the provision of a parental letter of support from SSE plc. The Group letter of support confirms that the Group will provide support to 31 December 2023 where required. The Directors are satisfied that the Group has the ability to provide this support, should it be required.

In assessing the financial strength of the letter of support provided, the directors considered the cash balance of £289.3m at 30 September 2022, the committed bank facilities of £2.5bn maintained by the Group (including the £1.0bn facility entered into in November 2022), and the current commercial paper market conditions including the Group's success in refinancing maturing debt with the issuance of £2.1bn of long and short term debt since 31 March 2022 and the issuance of £831.4m of hybrid equity in April 2022, and the Group's credit rating. The Group's period of going concern assessment is performed to 31 December 2023, 21 months from the balance sheet date, which is at least 12 months from the filing deadline of its subsidiary companies. The directors are not aware of any subsequent events that would have a material impact on the going concern assessment. As well as taking account of the factors noted, the going concern conclusion is arrived at after applying stress testing sensitivities to the Group's cash flow and funding projections including removal of proceeds from unconfirmed future divestments, negative and positive sensitivities on operating cash flows and uncommitted capex and other adjustments.

Having reviewed the financial strength of the Group, the directors are satisfied that the Group, and the Company itself, will remain funded for foreseeable future. The Directors have therefore concluded it is appropriate for the financial statements to be prepared on a going concern basis.

Foreign currency transactions and balances

The financial statements are presented in pound sterling, the functional currency of the company. Any contracts executed in foreign currency are translated to pound sterling. Monetary assets and/or liabilities denominated in foreign currency are translated at the balance sheet date, or where appropriate, the rates achieved from forward exchange contracts.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

2 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Development assets

Expenditure on development activities is capitalised as intangible assets if the project or process is considered to be technically and commercially feasible and the company intends to complete the project or process for use or for sale. Development projects include wind farm developments, thermal generation and gas storage projects, prospective gas production assets and other developments relating to proven technologies. Costs incurred in bringing these projects to the consent stage include options over land rights, planning application costs and environmental impact studies and may be costs incurred directly or part of the fair value exercise on acquisition of an interest in a project. At the point that the project reaches the consent stage and is approved by the Board, the carrying value of the project is transferred to property, plant and equipment as assets under construction. Once in operation, depreciation will be charged over the expected useful life of the asset. The asset is derecognised on disposal, or when no future economic benefits are expected to arise

Investments

Investments in subsidiary undertakings and joint ventures are shown at cost less provision for any impairment in value.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as fixed assets.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

2 Accounting policies (continued)

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Impairment

The carrying amount of the company's PP&E and other intangible assets and the company's investments in joint ventures and associates, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, or where there are indications that a previously recognised impairment loss has reduced. For PP&E assets that have previously been identified as exhibiting indications of impairment, the review of impairment will be performed annually until there is sufficient evidence to confirm that any potential impairment loss has been appropriately recognised, or until previously recognised impairment losses have been fully written back. For goodwill and other intangible assets with an indefinite life or which are not yet ready for use, the test for impairment is carried out annually. In addition, financial assets measured at amortised cost are also reviewed for impairment annually.

For assets subject to impairment testing, the asset's carrying value is compared to the asset's recoverable amount. The recoverable amount is determined to be the higher of the fair value less costs to sell (FVLCS) and the value-in-use (VIU) of the asset. For financial assets measured at amortised cost the impairment is measured as 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.

If the carrying amount of the asset exceeds its recoverable amount, an impairment charge will be recognised immediately in the profit and loss account. Reversals of previous impairment charges are recognised if the recoverable amount of the asset significantly exceeds the carrying amount. Previous impairments of goodwill are not reversed.

Value in use (VIU) calculations require the estimation of future cash flows to be derived from the respective assets and the selection of an appropriate discount rate in order to calculate their present value. The VIU methodology is consistent with the approach taken by management to evaluate economic value and is deemed to be the most appropriate for reviews of PP&E assets. The methodology is based on the pre-tax cash flows arising from the specific assets or underlying assets, and discounted using a pre-tax discount rate based on the company's cost of funding and adjusted for any specific risks. The estimation of the timing and value of underlying projected cash flows and the selection of appropriate discount rates involves management judgement. Subsequent changes to these estimates or judgements may impact the carrying value of the assets.

The fair value less costs to sell methodology also uses a present value technique, unless there is a quoted price in an active market for that asset. The methodology is based on the post-tax cash flows arising from the specific assets or underlying assets, and discounted using a post-tax discount rate determined in the same manner as the rates used in the VIU calculations, adjusted for the relevant taxation rate.

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

2 Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs. Where the asset is a qualifying asset, for which a considerable period of time is required to prepare the asset for use or sale, borrowing costs will be capitalised as part of the asset's cost.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3 Directors' remuneration

The total remuneration received by the directors for qualifying and non-qualifying services during the year was £3.7m (2021: £1.7m). The above value is for 9 directors (2021: 8), who were remunerated via another Group company in the year. A value of services to the Company for these directors cannot be determined, therefore the above value reflects the remunerations received for services to the SSE Group as a whole.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £1,080k (2021: £561k) including company pension contributions of £58k (2021: £54k) which were made to a money purchase scheme on their behalf.

The Company had 0 employees in the current or prior year.

4 Interest payable and similar expenses

	2022	2021
	£ 000	£ 000
Interest payable to Group companies	680	39
Interest capitalised	<u>(680)</u>	<u>(39)</u>
	<u>-</u>	<u>-</u>

5 Auditors' remuneration

The company incurred an audit fee of £33,215 in the year (2021: £15,000). The fee in both the current and previous year was borne by another group company.

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

6 Income tax

Tax charged/(credited) in the profit and loss account

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	(146)	(7)
Deferred taxation		
Arising from origination and reversal of temporary differences	146	7
Arising from changes in tax rates and laws	49	-
Total deferred taxation	195	7
Tax expense in the profit and loss account	49	-

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £ 000	2021 £ 000
Profit/(loss) before tax	-	-
Corporation tax at standard rate of 19% (2021: 19%)	-	-
Deferred tax expense relating to changes in tax rates or laws	49	-
Total tax charge	49	-

Deferred tax

Deferred tax movement during the year:

	At 1 April 2021 £ 000	Recognised in income £ 000	At 31 March 2022 £ 000
Tangible fixed assets	(7)	(195)	(202)

The Finance Act 2021 enacted on 10 June 2021 increased the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. Deferred taxes on the balance sheet have been measured at 25% which represents the future corporation tax rate that was enacted at the balance sheet date. This resulted a deferred tax charge of £49k.

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

7 Intangible assets

	Development assets £ 000	Total £ 000
Cost or valuation		
At 1 April 2021	13,575	13,575
Additions	<u>4,211</u>	<u>4,211</u>
At 31 March 2022	<u>17,786</u>	<u>17,786</u>
Carrying amount		
At 31 March 2022	<u>17,786</u>	<u>17,786</u>
At 31 March 2021	<u>13,575</u>	<u>13,575</u>

8 Investments

Associates

Details of the associates as at 31 March 2022 are as follows:

Name of subsidiary	Principal activity	Registered address (key)	Country of incorporation	Proportion of ownership interest and voting rights held	
				2022	2021
Berwick Bank Wind Farm Limited	Renewable development	Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ	Scotland	33%	0%

9 Trade and other debtors

	31 March 2022 £ 000	31 March 2021 £ 000
Debtors from related parties	24	-
Other debtors	<u>278</u>	<u>1</u>
	<u>302</u>	<u>1</u>

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

10 Cash at bank and in hand

	31 March 2022 £ 000	31 March 2021 £ 000
Cash at bank	<u>-</u>	<u>874</u>

11 Creditors

Amounts falling due within one year

	31 March 2022 £ 000	31 March 2021 £ 000
Trade creditors	600	1,094
Accrued expenses	1,214	-
Amounts due to Group undertakings	<u>684</u>	<u>-</u>
	<u>2,498</u>	<u>1,094</u>

Amounts falling due after more than one year

	31 March 2022 £ 000	31 March 2021 £ 000
Amounts due to Group undertakings	<u>15,566</u>	<u>13,356</u>

The amounts disclosed in the balance sheet as owed to group undertakings and falling due after more than one year are in respect of amounts advanced to the company by its ultimate parent SSE plc. Interest is charged at 4.89% (2021: 5.01%). There is no fixed repayment term for the amounts disclosed as owed to group undertakings and it has been confirmed by SSE plc that the amounts will not be called upon within the next twelve months.

12 Share capital

Allotted, called up and fully paid shares

	31 March 2022		31 March 2021	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

The authorised share capital of the Company is £100 (2021: £100).

Berwick Bank C Limited

Notes to the Financial Statements for the Year Ended 31 March 2022 (continued)

13 Parent and ultimate parent undertaking

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is SSE plc, incorporated in Scotland. The consolidated financial statements of the Group (which include the Company) are available from the Company Secretary, SSE plc, Inveralmond House, 200 Dunkeld Road, Perth, PH1 3AQ or by accessing the parent company's website at www.sse.com.