Stranoch Windfarm Limited
(formerly Cumbria Wind Farms Limited)

Annual report and financial statements

Registered number 02825049

31 December 2017

Contents

Company information

Directors	Matthieu Hue Hassaan Majid
Registered office	Alexander House 1 Mandarin Road Rainton Bridge Business Park Houghton le Spring Sunderland DH4 5RA
Auditor	KPMG LLP Chartered Accountants 66 Queen Square Bristol BS1 4BE

Strategic report

The Directors present their annual report and financial statements for the year ended 31 December 2017 for Stranoch Windfarm Limited (formerly Cumbria Wind Farms Limited) (the "Company").

Business review

In March 2017, the Company sold all its interest in Wind Prospect Developments 2 Limited to Wind Prospect Group Limited.

Going forward, the Company could in the future be used for the development of different renewable energy projects.

Principal risks and uncertainties

The principal risks to the profitability of the Company are as follows:

Financial risks

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The Company adopts a prudent approach to liquidity management and mitigates against cash flow and liquidity risk by continuously monitoring forecasted and actual cash flows and maintaining sufficient cash reserves to meet its obligations. The Company's main exposure to credit risk is its cash balances with banks. The risk is mitigated through using a bank with a good credit rating.

Health and Safety

The health and safety of all contractors and the public is a key risk given the nature of the Company's business. To minimise this risk, the Company is committed to creating a culture that views safe working as the only way of working and to reviewing all processes and procedures to ensure it delivers this. Training is provided to ensure the safety of the contractors that are set to work. In addition, a confidential helpline has been set up for the use of anyone within the organisation to help eradicate unsafe practices and safeguard all contractors who work at the wind farm site. The Directors also review health and safety performance at each of its scheduled Board meetings.

Business Environment, Performance and Key Performance Indicators

As the Company is not operational, the Directors believe that key performance indicators for the Company are not appropriate for an understanding of the development, performance or position of the business.

Strategic report (continued)

Future outlook

The Directors consider that the renewables markets in the UK will continue to develop further with the result that it is likely to benefit the future trading of the business.

Approved by the Board on 27 September 2018 and signed on its behalf by:

Hassaan Majid

Hassaan Majid
Director

Alexander House
1 Mandarin Road
Rainton Bridge Business Park
Houghton le Spring
Sunderland
DH4 5RA

Directors' report

Principal activities of the Company

The Company was primarily a holding company. However, following the sale of its only investment, the Company could in the future be used for the development of different renewable energy projects.

Results and dividends

The loss for the year, before taxation, amounted to £81 (*2016: loss of £94*), and after taxation, amounted to £65 (*2016: loss of £75*). The Directors do not recommend the payment of a dividend (*2016: £Nil*).

Directors' of the Company

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

Christian Egal (resigned 1 February 2017)
Gwen Parry-Jones (resigned 1 February 2017)
Denis Rouhier (resigned 1 February 2017)
Matthew Sykes (resigned 1 February 2017)
Owen Forster (resigned 1 February 2018)
Geraldine Anceau (resigned 1 February 2018)
Matthieu Hue (appointed 29 March 2017)

The following Director was appointed after the year end:

Hassaan Majid (appointed 1 February 2018)

None of the Directors have a service contract with the Company in the current or prior year.

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.

Going concern

The Directors consider it appropriate to prepare the financial statements on a going concern basis. Further details and explanation regarding the adoption of the going concern basis can be found in the statement of accounting policies in note 1 of the financial statements.

Political contributions

The Company made no political contributions in the year (*2016: £Nil*).

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

Directors' report (continued)

Disclosure of information to the auditor

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

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Auditor

It is noted that KPMG LLP as appointed by the members are deemed to be re-appointed as the auditor to the Company for the financial year ending 31 December 2018 in accordance with the provisions of Section 487(2) of the Companies Act 2006 and that the Directors have been authorised to set the remuneration of the auditor.

Approved by the Board on 27 September 2018 and signed on its behalf by:

Hassaan Majid

Hassaan Majid
Director

Alexander House
1 Mandarin Road
Rainton Bridge Business Park
Houghton le Spring
Sunderland
DH4 5RA

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

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 apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Independent auditor's report to the members of Stranoch Windfarm Limited

Opinion

We have audited the financial statements of Stranoch Windfarm Limited (formerly Cumbria Wind Farms Limited) (the "Company") for the year ended 31 December 2017, which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The Directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

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

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Stranoch Windfarm Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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

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

28 September 2018

Profit and loss account and other comprehensive income

for the year ended 31 December 2017

	Note	**2017** £	2016 £
Administrative expenses		**(32)**	(94)
Loss on disposal of subsidiaries		**(49)**	-
Operating loss	2, 3, 4	**(81)**	(94)
Loss before tax		**(81)**	(94)
Tax credit on loss	5	**16**	19
Loss for the year		**(65)**	(75)
Total comprehensive loss for the year		**(65)**	(75)

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

All results were derived from continuing operations.

The notes on pages 12 to 19 form part of these financial statements.

Balance sheet
at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	6	-	50
Current assets			
Debtors due within one year	7	**26,114**	16,111
Cash at bank and in hand		**208,336**	239,520
		234,450	255,631
Creditors: Amounts falling due within one year	8	**(225,536)**	(246,702)
Net current assets		**8,914**	8,929
Net assets		**8,914**	8,979
Capital and reserves			
Called up share capital	9	**200**	200
Profit and loss account		**8,714**	8,779
Shareholders' funds		**8,914**	8,979

The notes on pages 12 to 19 form part of these financial statements.

The financial statements of Stranoch Windfarm Limited (registered number 02825049) were approved by the Board of Directors on 27 September 2018 and signed on its behalf by:

Hassaan Majid

Hassaan Majid
Director

Statement of changes in equity

	Called up share capital £	Profit and loss account £	Total equity £
Balance as at 1 January 2017	**200**	**8,779**	**8,979**
Loss for the year	-	(65)	(65)
Balance as at 31 December 2017	**200**	**8,714**	**8,914**

	Called up share capital £	Profit and loss account £	Total equity £
Balance as at 1 January 2016	200	8,854	9,054
Loss for the year	-	(75)	(75)
Balance as at 31 December 2016	200	8,779	8,979

Notes to the financial statements

1 Accounting policies

Stranoch Windfarm Limited (formerly Cumbria Wind Farms Limited) (the "Company") is a private company incorporated and resident in England and in the UK for tax purposes.

These financial statements were prepared in accordance with *Financial Reporting Standard 101 Reduced Disclosure Framework* ("*FRS 101*"). The amendments to FRS 101 (2014/2015 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, Electricité de France SA, includes the Company in its consolidated financial statements. The consolidated financial statements of Electricité de France SA are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

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;
- Comparative period reconciliations for share capital and tangible fixed assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of compensation of key management personnel.

As the consolidated financial statements of Electricité de France SA include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 *Financial Instrument Disclosures* and IFRS 13 *Fair Value Measurement* have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of trading portfolio or derivatives.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

Notes to the financial statements (continued)

1 Accounting policies (continued)

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

Going concern
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Investments
Fixed asset investments are stated at cost less provision for permanent diminution in value.

Taxation
The tax expense for the period comprises current 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.

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

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

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equilvalents
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.

Dividends on shares presented within shareholders' funds
Dividends are only recognised as a liability at the date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Notes to the financial statements (continued)

1 Accounting policies (continued)

Foreign currency transactions and balances
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilties denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at the date or, if appropriate, at the forward contract rate.

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

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

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

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

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

Notes to the financial statements (continued)

2 Expenses and auditor's remuneration

Audit fees of £2,000 (*2016: £2,000*) were borne by EDF Energy Renewables Limited.

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Electricité de France SA.

3 Directors' remuneration

None of the Directors had a service contract with the Company in the current or prior year. They are all employed by companies within the EDF group and no portion of their remuneration can be specially attributed to their services to the Company.

4 Staff numbers and costs

The Company had no employees in 2017 (*2016: Nil*).

Notes to the financial statcments (continued)

5 Income tax

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

	2017 £	2016 £
Current taxation		
UK corporation tax	**(16)**	(19)
Total current tax credit	**(16)**	(19)

(b) Reconciliation of effective tax rate:

	2017 £	2016 £
Loss before tax	**(81)**	(94)
Tax using the UK corporation tax rate of 19.25% *(2016: 20%)*	**(16)**	(19)
Total tax credit	**(16)**	(19)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. The deferred tax balance at 31 December 2017 has been calculated based on these rates.

6 Investments

	2017 £
Cost at beginning of year	50
Disposal of Wind Prospects Development 2 Limited (refer to (a) below)	(50)
Cost at end of year	-

a) Disposal represents the sale of all the Company's shareholding, 50%, in Wind Prospects Development 2 Limited. A loss of £49 was recognised on the sale of this investment.

Notes to the financial statements (continued)

7 Debtors

	2017	2016
	£	£
Debtors: amounts falling due within one year		
Amounts owed by group undertakings	**6,111**	5,491
Trade debtors	**13,244**	6,194
Other debtors	**-**	2,250
Corporation tax recoverable	**51**	-
Other taxation and social security	**6,708**	2,176
	26,114	16,111

All debtors relates to trading balances owed by group undertakings wholly owned subsidiaries of the EDF Group.

8 Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts owed to group undertakings	**225,536**	239,053
Amounts owed to associated undertakings	**-**	50
Corporation tax payable	**-**	2,832
Accruals	**-**	4,767
	225,536	246,702

Amounts owed to group undertakings, £225,536 (*2016: £239,053*) relate to balances owed to wholly owned subsidiaries of the EDF Group.

Notes to the financial statements (continued)

9 Capital and reserves

Share capital
Alloted, called up and fully paid

	2017 Number	2017 £	2016 Number	2016 £
Ordinary 'A' shares of £1 each	**100**	**100**	100	100
Ordinary 'B' shares of £1 each	**100**	**100**	100	100
	200	**200**	200	200

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

10 Related party transactions

As the Company is a wholly owned subsidiary of Electricité de France SA, the Company has taken advantage of the exemption contained in FRS 101 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

There were no related party transactions occured in the year.

The following related party transactions occurred in the prior year:

Related Party	Relationship	Transaction	Amount 2016 £	Amount outstanding 2016 £
Wind Prospect Developments 2 Limited	Joint venture	Share capital	50	50 Creditor

11 Parent undertaking and controlling party

EDF Energy Renewables Limited holds a 100% interest in the Company and is considered to be the immediate parent undertaking and controlling party. The registered address of EDF Energy Renewables Limited is Alexander House, 1 Mandarin Road, Rainton Bridge Business Park, Houghton le Spring, Sunderland, England, DH4 5RA.

Electricité de France SA, a company incorporated in France, is regarded by the Directors as the Company's ultimate parent company and controlling party. This is the smallest and largest group for which consolidated financial statements are prepared. Copies of that company's consolidated financial statements may be obtained from Electricité de France SA, 22-30 Avenue de Wagram, 75382, Paris, Cedex 08, France.

Notes to the financial statements (continued)

12 Accounting estimates and judgement

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

No significant judgements have been required in the preparation of these accounts.