

Registered number: 11023394

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2018

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TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

COMPANY INFORMATION

DIRECTORS	Suriati Asmah binti Abdullah Nik Hishamuddin bin Mohamed Datuk Seri Ir. Azman bin Mohd Khairunnizam bin Naharudin
COMPANY SECRETARY	Dentons Secretaries Limited
REGISTERED NUMBER	11023394
REGISTERED OFFICE	One Fleet Place London EC4M 7WS
INDEPENDENT AUDITORS	Wilder Coe Ltd Chartered Accountants & Statutory Auditors 1st Floor, Sackville House 143-149 Fenchurch Street London EC3M 6BL

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

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TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

The directors present their Annual Report and the audited financial statements of the Group and Company for the period ended 31 December 2018.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 such financial statements for each financial period. Under that law, the directors have elected to prepare the Group and Company's financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and Company 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; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors are 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Principal activity

The principal activity of the Company is that of a holding company representing its wider group's interests in the UK's renewable energy sector.

The principal activity of its subsidiary undertakings was that of the operation of wind farms for the generation and sale of electricity and associated benefits.

The Company was incorporated on 20 October 2017 as Snrdco 3277 Limited. The Company changed its name to Tenaga Wind Ventures UK Ltd on 1 November 2017 and commenced trading on 28 February 2018.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Directors

The directors who served during the period were:

Suriati Asmah Abdullah (appointed on 1 November 2017)
Nik Hishamuddin Bin Mohamed (appointed on 11 December 2018)
Datuk Seri Ir. Azman Bin Mohd (appointed on 11 December 2018)
Khairunnizam Naharudin (appointed on 1 November 2017)
Megat Jalaluddin Megat Hassan (appointed on 1 November 2017 and resigned on 11 December 2018)
Dato' Muhammad Razif Bin Abdul Rahman (appointed on 1 November 2017 and resigned on 11 December 2018)
Datuk Fazlur Rahman Zainuddin (appointed on 1 November 2017 and resigned on 11 December 2018)
Peter Charles Cox (appointed on incorporation and resigned 1 November 2017)
Dentons Directors Limited (appointed on incorporation and resigned on 1 November 2017)

Going concern basis

The financial statements have been prepared using the going concern basis of accounting. Further details of this policy can be found in the notes to these accounts.

Dividends

No dividends have been paid or proposed in the period.

Events after the reporting period

Before the financial statements of the Group were prepared, the Directors took reasonable steps:

- (a) to ascertain that proper actions had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group had been written down to an amount which the current assets might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group misleading or inappropriate.

At the date of this report:

- (a) there are no charges on the assets of the Group which have arisen since the end of the financial period which secures the liabilities of any other person; and
- (b) there are no contingent liabilities in the Group which have arisen since the end of the financial period.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may affect the ability of the Group to meet their obligations when they fall due.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group which would render any amount stated in the respective financial statements misleading.

In the opinion of the Directors:

- (a) the results of the Group's operations during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Group for the financial period in which this report is prepared.


Financial instruments

Full details of risks arising on financial instruments can be found in note 4 to the accounts.

Auditors

The auditors, Wilder Coe Ltd, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 20 February 2019 and signed on its behalf.


.....
Khairunnizam bin Naharudin
Director


.....
Suriati Asmah binti Abdullah
Director

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES
STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018

The directors present the Strategic Report of the Group for the period ended 31 December 2018.

Business Review

On 28 February 2018, Tenaga Wind Ventures UK Ltd acquired two groups of companies, headed by GVO Wind Limited ("GVO") and Bluemerang Capital Limited ("BCL").

This acquisition has led to Tenaga Wind Ventures' portfolio having the largest Feed-in-Tariff ("FIT") wind portfolio in the UK with 53 operational medium wind turbines combining highly contracted revenue and a well-diversified geographical location.

The period's overall performance was in line with budget, with the wind turbines operating at or above estimated availability, and high Purchase Price Agreement ("PPA") prices were contracted from the period from April 2018 to March 2019. Regarding operating costs, additional savings have been realised, since being acquired by the group, by consolidating service providers mainly in the administration, accounting and technical asset management areas.

A £120m financing facility with Bayern LB was also secured, which was mainly used to repay the existing loans of GVO and BCL with NIBC Bank N.V. and Royal Bank of Scotland. The refinancing represented a surplus of £25m to Tenaga Wind Ventures, which was used in the acquisition of GVO and BCL.

The results for the period to 31 December 2018 and the financial position of the Group and Company are shown in these consolidated Group and Company financial statements. See the specific key performance indicators below:

Key Performance Indicators

During the period, the Group had a turnover of £14.8m. At 31 December 2018, the Group had net assets of £9.1m and a cash balance of £13.7m to support working capital, investment and growth. The directors are confident the Group and the Company will maintain its position in 2019.

The key financial and other performance indicators during the year were as follows:

	Period Ended
	31-Dec-18
Gross Profit as% of Revenue	26%
Operating Loss as% of Revenue	-58%

Energy generation was at 100.6% of budget, with a total net production of 80,901 MWh for 12 months. Average wind speed during the period was 6.04 m/s. The seasonality figures for the year are likely to confirm 2018 as being slightly less windy than the long-term average, so it is good that the portfolio performed above budget. The period's warranted and real availability were also strong at 99.07% and 98.84%, respectively.

Financial Review

The portfolio performance was slightly above budget, with a total net production of 80,901 MWh and a total revenue of £14.8m. In terms of operating costs, these were also in line with expectation, although some extraordinary/ one-off expenses were incurred due to the refinancing of the portfolio.

The group incurred extraordinary expenditure in the acquisition process.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**STRATEGIC REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Principal Risks and Uncertainties

The Brexit vote and its related negotiations are potentially creating some risks in the UK Market and an increase in uncertainty for businesses in the country. The Directors do not expect any particular risk arising from Brexit to affect the Group/Company, specifically in regard to the interest rate that is a fixed 10% across the 30 years of the loan notes term. In addition, there is a swap agreement in place to fix the interest rate on the external loan facility for its full term.

The Group has exposure to Generation Tariff price, which is the main payment of the FIT Scheme ("FITs") and is paid on the total output of the renewable energy system. FITs is a government subsidy scheme for generation of renewable electricity from small-scale low-carbon installations (in this case, wind), and is contracted for 20 years and adjusted yearly by RPI.

The Group and the Company are not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the Group and the Company operates.

The Group and the Company's exposure to credit risk arises as a result of transactions with counterparties. The counterparties used by the Group and the Company, including those involved in derivative transactions, are considered by management to be of high quality, investment grade credit rating. The maximum credit exposure at the reporting date is the carrying value of the credit balances, if any. The Directors feel that the Group and the Company's credit risk is limited.

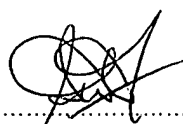
The Group and the Company monitors its risk of a shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and liabilities.

The primary objective of the Group and the Company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The Group and the Company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The Group and the Company's policy is to finance its operations through cash generated from operations and external finance. It is the Group and the Company's policy not to hold financial instruments for speculative purposes.

There are PPAs in place with two different Off Takers with the subsidiaries. In all cases, there is a fixed price for 1 year, the majority of which expire in March 2019. For the years going forward, the Export Tariff rate serves as a floor price that guarantees that prices cannot go below a certain level. It is the Directors' intention to negotiate the prices of the PPA every year. The Directors believe there is limited risk going forward as price negotiation in the market is expected within the industry.

This report was approved by the board on 20 February 2019.....


Khairunnizam bin Naharudin
Director


Suriati Asmah binti Abdullah
Director

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

Opinion

We have audited the financial statements of Tenaga Wind Ventures UK Ltd (the 'Parent Company') and its subsidiaries (the 'Group') for the period ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2018 and of its profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the Parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Group and Parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. 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.

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

We have nothing to report 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities statement set out on page 1 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 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

TENAGA INVESTMENTS UK LTD AND ITS SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TENAGA INVESTMENTS UK LTD AND ITS SUBSIDIARIES (CONTINUED)

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.

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.

Bee-Lean Chew MSc BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of

Wilder Coe Ltd

Wilder Coe Ltd
Chartered Accountants and Statutory Auditors
1st Floor Sackville House
143-149 Fenchurch Street
London
EC3M 6BL

Date 20 February 2019

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2018**

	Note	Group 2018 £
Revenue	5	14,811,047
Cost of Sales		(10,933,440)
GROSS PROFIT		<u>3,877,607</u>
Other Income		9,500
Administrative Expenses		(1,936,368)
Finance costs	7	(10,585,682)
LOSS BEFORE TAXATION ON ORDINARY ACTIVITIES		<u>(8,634,943)</u>
Taxation on loss on ordinary activities	8	(285,399)
LOSS FOR THE FINANCIAL PERIOD		<u><u>(8,920,342)</u></u>
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD		<u><u>(8,920,342)</u></u>
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:		
Owners of the Parent Company		<u><u>(8,920,342)</u></u>

The notes on pages 16 to 41 form part of these financial statements.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**


	Note	Group 2018 £	Company 2018 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	179,083,744	-
Investments in subsidiaries	10	-	90,808,243
Goodwill	11	5,640,887	-
Financial assets		29,865	29,865
Total non-current assets		184,754,496	90,838,108
CURRENT ASSETS			
Trade and other receivables	12	6,828,563	252,947
Amount due from subsidiaries	13	-	87,303,697
Cash and cash equivalents		13,691,749	8,394,667
Total current assets		20,520,312	95,951,311
TOTAL ASSETS		205,274,808	186,789,419
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	18,010,000	18,010,000
Retained losses		(8,920,342)	(2,125,648)
Total Equity		9,089,658	15,884,352
CURRENT LIABILITIES			
Trade and other payables	15	1,520,725	86,273
Current tax liabilities		635,849	-
Short-term borrowings	16	10,115,908	10,115,908
Total current liabilities		12,272,482	10,202,181

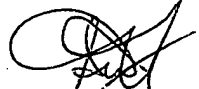
TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018**

	Note	Group 2018 £	Company 2018 £
NON-CURRENT LIABILITIES			
Deferred tax liabilities	17	23,209,782	-
Borrowings	16	160,702,886	160,702,886
Total non-current liabilities		183,912,668	160,702,886
Total Liabilities		196,185,150	170,905,067
TOTAL EQUITY AND LIABILITIES		<u>205,274,808</u>	<u>186,789,419</u>
ISSUED CAPITAL AND RESERVES ATTRIBUTABLE TO:			
Owners of the parent company		<u>9,089,658</u>	<u>15,884,352</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
20 February 2019.....


.....
Khairunnizam bin Noharudin
Director


.....
Suriati Asmah binti Abdullah
Director

The notes on pages 16 to 41 form part of these financial statements.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

Group	Called up share capital	Other reserves	Profit and loss account	Total Equity
	£	£	£	£
Issue of share capital	18,010,000	-	-	18,010,000
COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD				
Loss for the financial period	-	-	(8,920,342)	(8,920,342)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-	-	(8,920,342)	(8,920,342)
AT 31 DECEMBER 2018	<u>18,010,000</u>	<u>-</u>	<u>(8,920,342)</u>	<u>9,089,658</u>

The notes on pages 16 to 41 form part of these financial statements.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2018

Company	Called up share capital	Other reserves	Profit and loss account	Total Equity
	£	£	£	£
Issue of share capital	18,010,000	-	-	18,010,000
COMPREHENSIVE LOSS FOR THE FINANCIAL PERIOD				
Loss for the financial period	-	-	(2,125,648)	(2,125,648)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	-	-	(2,125,648)	(2,125,648)
AT 31 DECEMBER 2018	<u>18,010,000</u>	<u>-</u>	<u>(2,125,648)</u>	<u>15,884,352</u>

The notes on pages 16 to 41 form part of these financial statements.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES
CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Group 2018 £	Company 2018 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial period	(8,920,342)	(2,125,648)
ADJUSTMENTS FOR:		
Bargain purchase	(551,661)	-
Depreciation of property, plant and equipment	7,238,747	-
Interest expense	7,246,489	7,035,147
Amortisation of capitalised expenditure	102,339	102,339
Fair value of derivative	2,996,444	2,641,534
Gain on financial derivatives	(29,865)	(29,865)
Interest income	(47,770)	(9,285,062)
Corporation tax charge	784,102	-
Deferred tax charge	(498,703)	-
Increase in trade and other receivables	(1,763,394)	(252,947)
Increase in trade and other payables	489,216	86,273
NET CASH FLOW FROM OPERATIONS	<u>7,045,602</u>	<u>(1,828,229)</u>
Corporation tax paid	(225,028)	-
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>6,820,574</u>	<u>(1,828,229)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of subsidiaries	(69,673,969)	(78,369,522)
Disposal of property, plant and equipment	41,409	-
New loans to group undertakings	-	(91,211,711)
Receipts on loans to group undertakings	-	6,442,819
Interest received	46,178	6,947,094
NET CASH FROM INVESTING ACTIVITIES	<u>(69,586,382)</u>	<u>(156,191,320)</u>

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES
CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2018

	Group 2018 £	Company 2018 £
CASH FLOWS FROM FINANCING ACTIVITIES		
New secured loans advanced	177,893,336	177,893,336
Repayment of secured loans	(112,938,760)	(24,907,108)
Share issue	18,010,000	18,010,000
Interest paid	(6,507,019)	(4,582,012)
NET CASH USED IN FINANCING ACTIVITIES	<u>76,457,557</u>	<u>166,414,216</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>13,691,749</u>	<u>8,394,667</u>
Cash and cash equivalents at beginning of financial period	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	<u><u>13,691,749</u></u>	<u><u>8,394,667</u></u>

The notes on pages 16 to 41 form part of these financial statements.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Tenaga Wind Ventures UK Ltd (the "Company") (company number: 11023394) was incorporated in England & Wales on 20 October 2017 as a private limited company under the Companies Act 2006. Its registered office is at One Fleet Place, London, EC4M 7WS, United Kingdom.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared for the first period of account, covering 20 October 2017 to 31 December 2018.

The financial statements have been prepared under the historical cost convention, except as disclosed in this summary of significant accounting policies and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Going concern basis

The financial statements have been prepared using the going concern basis of accounting. In determining whether the Group and Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position and have concluded that the Group and Company would continue in operational existence for the foreseeable future.

The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its own subsidiaries ("the Group"). The financial statements of the subsidiaries are prepared to the same reporting date as the Company and the Group.

Subsidiaries are consolidated from the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

The Company and Group applies the acquisition method to account for business combinations. The consideration transferred for acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The excess of the consideration transferred over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the gain is recognised in the Consolidated Statement of Comprehensive Income.

A symmetrical put and call option is in place and the Directors consider it virtually certain that either the parent or the non-controlling shareholder will exercise the option. Thus, the risks and rewards of ownership have transferred to the parent and no non-controlling interest has been recognised.

The group financial statements do not include a separate Statement of Comprehensive Income for the Company, as permitted by Section 408 of the Companies Act 2006. The amount of group loss attributable to the Company is £2,125,648.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Revenue recognition

The group has elected to early adopt IFRS 15: "Revenue from Contracts with Customers".

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with the Offtaker. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration that the Group expects to be entitled in exchange for generated energy. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each KWh as contracted. Revenue is recognised when the performance obligation is satisfied, which is the point in time of energy export.

Revenue from the supply of electricity in the UK is regulated based on certain formulae and parameters as set out in the regulatory implementation guidance under the FIT Legislation, which has the meaning of the Feed-In-Tariffs Order 2012 and Condition 33 (Feed-in Tariffs) and Condition 34 (Implementation of Feed-in Tariffs) of the standard conditions of electricity supply licences.

The Group makes sales with an agreed credit term between 30 and 120 days. As a consequence, the Group and Company does not adjust any of the transaction prices for the time value of money.

A receivable is recognised when the electricity is exported as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Finance costs

Finance costs are recognised as expenses in the period in which they fall due.

Finance income

Finance income includes interest income which is recognised on an accrual basis.

Borrowing costs

Borrowing costs are recognised in the Statement of Comprehensive Income in the period in which they are incurred.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

Property, plant and equipment ('PPE')

PPE are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the construction or acquisition of the items and bringing them to the location and condition so as to render them operational in the manner intended by the Group. The Group allocates the cost of an item of PPE to its significant system and component parts. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of major overhaul/inspection is recognised in the asset's carrying amount as a replacement and the remaining carrying amount of the previous major overhaul/inspection is derecognised. Major spare parts and standby equipment are recognised as assets when the Group expects to use them during more than one period. Similarly, if the spare parts and servicing equipment can be used only in connection with an item of PPE, they are accounted for as PPE. Gains or losses on disposal of PPE are determined by reference to their carrying amount and are included in profit or loss.

On acquisition, the wind turbines were fair valued to the net present value of future cash flows and have been recognised at fair value in the Statement of Financial Position.

Depreciation is provided on a straight line basis up to the earlier of:

- planning permission expiry
- lease expiration date
- 25 years from the commissioning of the wind turbines

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount and is recognised in the Statement of Comprehensive Income.

Goodwill

Goodwill arises from business combinations and represents the excess of the aggregate of fair value of consideration transferred over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred is less than the fair value of the net identifiable assets of the acquiree, the resulting gain is the Statement of Comprehensive Income.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ('CGUs'), or groups of CGUs that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately to the statement of comprehensive income and is not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity disposed.

Impairment of goodwill

An annual impairment test is conducted on the Group as a whole as it is treated as a CGU. No impairment was required as at 31 December 2018 as the recoverable amount exceeded the carrying amount.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

Valuation of investments

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment loss is recognised in the statement of comprehensive income for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of fair value less cost to sell and its value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill previously impaired are reviewed for possible reversal of the impairment at each reporting date. Any subsequent increase in recoverable amount is recognised in profit or loss.

Key assumptions used in the value-in-use calculation

The recoverable amount of the CGU including goodwill, is determined based on its value-in-use. This value-in-use calculation applies a discounted cash flow model using cash flow projection based on forecast approved by management covering a period to the end of the asset's useful economic life. The forecast reflects management's expectation of revenue growth, operating costs and margins for the Group based on current assessment of market share, expectations of market growth and industry growth. The discount rate applied to the cash flow forecast refers to the Group's pre-tax Weighted Average Cost of Capital ('WACC').

Impact of possible change in key assumptions used

The Group's review includes an impact assessment of changes in key assumptions used. Based on the sensitivity analysis performed, it was concluded that no reasonable change in the base case assumptions would cause the carrying amount of the CGU to exceed its recoverable amount.

Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. 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 non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less accumulated impairment losses.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents comprise cash in hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables generally arise from transactions outside the usual operating activities of the Group. Trade and other payables 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 and other payables are recognised initially at fair value and subsequently measured at amortised cost, which is the fair value of the consideration to be paid in the future for the goods and services received.

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

A redemption liability is recognised for put options at fair value on the date of business combination. All subsequent changes to the liability are recognised in the Statement of Comprehensive Income.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. In subsequent periods, borrowings are stated at amortised cost using the effective interest method, any differences between proceeds (net of transaction costs) and the redemption value are recognised in the Statement of Comprehensive Income over the period of the borrowings.

Borrowings are classified as current liabilities unless the Group and Company have an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawdown. In this case, the fee is deferred until the drawdown occurs.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

Financial Instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the end of the reporting period.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

Share Capital

Ordinary shares are classified as equity.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Foreign currency translation

Functional and presentation currency

The Group and Company's functional and presentational currency is British Pound Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

Operating leases: the Group as lessee

Leases where substantially all of the risks and rewards of ownership are not transferred to the Group are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Comprehensive Income within other operating expenses on the straight line basis over the period of the lease.

From 1 January 2019, IFRS 16 will come into effect. IFRS 16 requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The Group assesses that, should IFRS 16 have been adopted, as at 31 December 2018 the Group would have recognised finance leases on the Statement of Financial Position of £9,728,308.

Current and deferred taxation

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other periods and in further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at Statement of Financial Position date. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

Adoption of new and revised IFRSs

During the current period the Group and Company adopted all the new and revised International Financial Reporting Standards (IFRSs) that are relevant to its operations and are effective for accounting periods beginning on or after 1 January 2018. Therefore IFRS 9 and IFRS 15 have been early adopted.

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 3 "Business Combinations": the amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. It is effective from periods beginning on or after 1 January 2020 and, where applicable, it will be effective in the Group accounts for the year ending 31 December 2020.
- IFRS 11 "Joint Arrangements": the amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business. It is effective from periods beginning on or after 1 January 2019 and, where applicable, will be effective in the Group accounts for the year ending 31 December 2019.
- IFRS 16 "Leases": the new standard requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. It is effective from periods beginning on or after 1 January 2019 and will be effective in the Group accounts for the year ending 31 December 2019.
- IAS 12 "Income Tax": the amendments clarify that the requirements in the former paragraph 52B (to recognise the income tax consequences of dividends where the transactions or events that generated distributable profits are recognised) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits. It is effective from periods beginning on or after 1 January 2019 and, where applicable, will be effective in the Group accounts for the year ending 31 December 2019.
- IAS 19 "Employee Benefits": the amendment is with regard to the calculation of current service cost and net interest when an entity remeasures the net defined benefit liability or asset when a plan amendment, curtailment or settlement occurs. It is effective from periods beginning on or after 1 January 2019 and, where applicable, will be effective in the Group accounts for the year ending 31 December 2019.
- IAS 23 "Borrowing Costs": the amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. It is effective from periods beginning on or after 1 January 2019 and, where applicable, will be effective in the Group accounts for the year ending 31 December 2019.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Group or Company in future periods, except for IFRS 16, as noted in the operating leases accounting policy.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equate to the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact on the Group and Company's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are outlined below:

Estimated useful lives of PPE

The Group and Company regularly review the estimated useful lives of PPE based on factors such as business plans and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of PPE would increase the recorded depreciation and decrease the value of PPE.

Impairment of PPE

The Group and Company assess impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e., the carrying amount of the asset is more than the recoverable amount. Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group and Company's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

Impairment of goodwill

The Group tests goodwill for impairment annually in accordance with its accounting policy and whenever events or change in circumstances indicate that this is necessary within the financial period. This requires an estimation of the value-in-use of the Group as the cash generating unit to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the Group and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The assumptions used, results and sensitivity of the impairment assessment of goodwill are disclosed in Note 11 to the financial statements.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

4. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, and market risk management arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group pays interest on its loan at margin over LIBOR. In order to mitigate the interest rate risk on this loan, a hedging agreement has been taken out; details of this interest rate swap can be found in Note 18.

Credit risk

Credit risk is the risk of a financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group and Company's exposures to credit risk arise principally from its receivables from customers, deposits, bank and cash balances and derivative instruments. In addition, the Company's exposure to credit risk arises principally from loans and advances to subsidiaries.

Receivables: Risk management objectives, policies and processes for managing the risk

The Group and Company have a credit policy in place and the exposures to credit risk are monitored on an ongoing basis.

The Group and Company's credit policy provide trade receivables with a 30 day credit period. An allowance is made for estimated unrecoverable amounts, determined by reference to past default experience of individual debtors and portfolios.

Deposits, bank and cash balances and derivative instruments: Risk management objectives, policies and processes for managing the risk

Deposits, bank and cash balances and derivative instruments are allowed only in liquid securities and only with reputable financial institutions.

Deposits, bank and cash balances and derivative instruments: Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position. In view of the sound credit rating of counterparties, the Group and Company do not expect any counterparty to fail to meet its obligations.

Intercompany balances: Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Intercompany balances: Exposure to credit risk, credit quality and collateral

As at the end of the financial period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. Loans and advances are only provided to subsidiaries by the Company.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group and the Company's exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the Group and the Company are considered by management to be of high quality, investment grade credit rating. The maximum credit exposure at the reporting date is the carrying value of the credit balances, if any.

Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group and Company's exposure to liquidity risk arise principally from its various payables, loans and borrowings.

The Group and Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the Group and Company to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

As at 31 December 2018, the Group has sufficient financial capacity and available facility to meet its obligations as and when they fall due within 12 months from the financial statement date.

Maturity analysis:

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amounts £	Contractual cash flows £	Less than 12 months £	Between 1-5 years £	More than 5 years £
Trade and other payables	1,408,920	1,408,920	1,408,920	-	-
Bank loans	119,149,849	153,243,597	9,490,195	39,972,696	103,780,706
Deferred consideration on unpaid shares	12,561,972	12,757,301	-	12,757,301	-
Loan notes	39,106,973	148,046,411	4,317,699	14,970,247	128,758,465

Market risk

Market risk is the risk that changes in market prices, such as interest rates and other prices will affect the Group and Company's financial positions or cash flows.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The Group has exposure to Generation Tariff price, which is the main payment of the Feed-In-Tariffs (FITs) Scheme and is paid on the total output of the renewable energy system. The FITs is a government subsidy scheme for generation of renewable electricity from small-scale low-carbon installations (in this case, wind), and is contracted for 20 years and adjusted yearly by RPI. A significant portion of the revenue depends on Generation Tariff, Export Tariff and PPAs prices which have insignificant exposure to downside market risk.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

The Group and the Company are not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the Group and the Company operates.

The Group and Company use hedging strategies to mitigate their exposure to interest rate fluctuations. The Group and the Company does not intend to hold cash for the purpose of generating interest income.

Fair value of financial instruments

The carrying amounts of deposits, bank and cash balances, short term receivables and payables and short term borrowings approximate their fair values and are equivalent to nominal values due to the relatively short term nature of these financial instruments.

Capital risk management

The Group's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Management considers capital to consist of equity plus net debt as disclosed in the Statement of Financial Position. The primary objective of the Group and the Company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The Group and the Company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The Group and the Company's policy is to finance its operations through Group borrowings and an external financing (Note 18). It is the Group and the Company's policy not to hold financial instruments for speculative purposes.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

5. REVENUE

Disaggregation of revenue from contracts with customers

The whole of the revenue is attributable to the principal activity of the Group, being the generation of renewable energy and all turnover arose in the United Kingdom.

The Group and Company derives revenue from the generation of electricity from two distinct categories:

	Group 2018 £
Generated under power purchase agreements	3,521,622
Generated under Feed-in-Tariffs	<u>11,289,425</u>
	<u>14,811,047</u>

Contract balances

The opening and closing balances of receivables and contract assets from contracts with customers are as follows:

	Group Acquired 28 February 2018 £	Group Period Ended 31 December 2018 £
Trade receivables	157,096	563,523
Accrued income	<u>3,452,090</u>	<u>4,841,470</u>
	<u>3,609,186</u>	<u>5,404,993</u>

6. OPERATING PROFIT

	Group 2018 £
Operating profit is stated after charging the following items:	
Minimum rent payments	521,191
Contingent rents	1,034,940
Net losses on financial liabilities designated as fair value	2,966,579
Auditors' remuneration	<u>474,500</u>

Fees payable to the Company's auditor and their associates for the audit of the Tenaga Wind Ventures UK Limited and its subsidiaries are £185,750 plus disbursements and VAT.

The Group received non-audit services from Wilder Coe Ltd for £300 during the period plus disbursements and VAT for tax compliance services.

The Group received other non-audit services from Wilder Coe Ltd for £288,450 during the period plus disbursements and VAT.

Apart from the directors, the Group had no employees during the period. The directors do not receive any remuneration from the company.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

7. FINANCE (COST)/ INCOME

	Group 2018 £
Finance income	
Bank interest received	<u>47,770</u>
Finance costs	
Loan interest	(7,246,489)
Net loss on derivatives	(2,966,579)
Loan arrangement fees	(418,606)
Foreign currency losses	(1,778)
	<u>(10,633,452)</u>
Finance (cost)/ income	<u>(10,585,682)</u>

8. TAXATION

	Group 2018 £
Current tax	784,102
Deferred tax	<u>(498,703)</u>
Total tax for the period	<u>285,399</u>
Loss before tax	<u>(8,634,943)</u>
Corporation tax charged at 19%	(1,640,639)
Depreciation in excess of capital allowances	66,884
Expenses not deductible for tax purposes	1,555,091
Creation of tax losses	802,766
Deferred tax	<u>(498,703)</u>
Tax charge	<u>285,399</u>

The UK Government propose to reduce the main rate of UK corporation tax to 17% with effect from 1 April 2020.

The closing deferred tax assets and liabilities reflect this rate.

Factors that may affect future tax charges

At the period end the group had trading losses of £10,192,788 available to offset against future taxable trading profits.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

9. PROPERTY, PLANT AND EQUIPMENT

Group

	Wind turbine development £
COST	
Acquisition through business combination	186,363,900
Additions	15,827
Disposals	<u>(57,236)</u>
At 31 December 2018	186,322,491
 DEPRECIATION	
Charge for the financial period	7,238,747
Disposals	<u>-</u>
At 31 December 2018	7,238,747
 NET BOOK VALUE	
At 31 December 2018	<u>179,083,744</u>

The Company held no tangible fixed assets at 31 December 2018.

10. INVESTMENTS IN SUBSIDIARIES

Company

	Investments in subsidiaries £
COST	
Additions	90,808,243
At 31 December 2018	<u>90,808,243</u>

Details of the subsidiary acquisitions in the year can be found in Note 19.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

11. GOODWILL

Group

	Goodwill £
COST	
Additions	5,640,887
At 31 December 2018	<u>5,640,887</u>

Goodwill arises on consolidation of the group; details of goodwill arising on business combination can be found in Note 19.

The Company held no intangible fixed assets.

Management has determined the recoverable amount of the GVO Wind Limited CGU by assessing the value in use (VIU) of the underlying assets. No impairment was identified.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Estimated asset life	23 years
Short term inflation rate	3.1% – 3.2%
Long term inflation rate	3.0%
Average EBITDA margin	65.7%
After-tax discount rate	4.1%

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately £18 million. This is mainly due to the lower after-tax discount rate due to perceived lower risk. The estimated recoverable amount of the CGU will equal its carrying amount at the after-tax discount rate of 5.8%

12. TRADE AND OTHER RECEIVABLES

	Group 2018 £	Company 2018 £
DUE WITHIN ONE YEAR		
Trade receivables	563,523	-
Other receivables	317,342	55,907
Prepayments and accrued income	5,947,698	197,040
	<u>6,828,563</u>	<u>252,947</u>

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

13. AMOUNT DUE FROM SUBSIDIARIES

	Company 2018 £
DUE WITHIN ONE YEAR	
Amounts due from subsidiaries	87,303,697

Amounts due from all subsidiaries classified as current are unsecured and repayable on demand. The interest rate charged on the outstanding balance is between 10-16%.

14. SHARE CAPITAL

Allotted, called up and fully paid

	Company 2018 £
18,010,000 Ordinary shares of £1 each	<u>18,010,000</u>

18,010,000 Ordinary shares with a nominal value of £1 were issued during the period. The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

15. TRADE AND OTHER PAYABLES

	Group 2018 £	Company 2018 £
Trade payables	154,309	44,398
Other creditors	111,805	-
Accruals and deferred income	1,254,611	41,875
	<u>1,520,725</u>	<u>86,273</u>

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

16. BORROWINGS

	Group 2018 £	Company 2018 £
Current borrowings		
Bank loans	8,408,935	8,408,935
Loan notes from parent	<u>1,706,973</u>	<u>1,706,973</u>
	<u>10,115,908</u>	<u>10,115,908</u>
Non-current borrowings		
Bank loans	110,740,914	110,740,914
Loans notes from shareholder	37,400,000	37,400,000
Deferred share consideration	<u>12,561,972</u>	<u>12,561,972</u>
	<u>160,702,886</u>	<u>160,702,886</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the assets held of the Group and the Company. The Company has bank loans with Bayerische Landesbank for the amount of £119,149,849. The rate of interest is at a margin of 1.6% over LIBOR for the short term facility and 1.85% over LIBOR for the long term facility, subject to interest rate swap agreements detailed in Note 18.

The principal of the loan outstanding at the period end was £118,158,900. Transaction costs of £2,004,326 have been offset to show a carrying amount of £116,154,574.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018

17. DEFERRED TAXATION

	Group 2018 £
Arising on business combination	23,708,485
Charged to profit or loss	(498,703)
AT END OF PERIOD	<u>23,209,782</u>
	Group 2018 £
Accelerated capital allowances	3,649,240
Tax losses	(840,857)
Uplift in value of fixed assets	20,401,399
	<u>23,209,782</u>

The Company has no recognised deferred tax asset or liability.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

18. FINANCIAL INSTRUMENTS

The Company has entered into an interest rate swap agreement relating to the bank loan held with Bayerische Landesbank. This financial instrument is measured at fair value through profit and loss. The loss recognised in respect of this swap in the Statement of Comprehensive Income for the period was £2,641,535.

The swap agreement was entered into on 28 March 2018, with a termination date of 30 September 2033. The agreement ensures a fixed interest rate of 1.332% for short term tranche and 1.673% for long term tranche against the loan facilities of the Group.

Bayerische Landesbank and Norddeutsche Landesbank, being the Hedge Counterparties, provided the valuation of the swap.

The Company initially recognised deferred consideration payable on the remaining 20% of the share capital of Bluemerang Capital Limited and GVO Wind Limited. This was been fair valued as the net present value of the consideration payable on 28 February 2020. Per IFRS 9, this was subsequently measured at amortised cost; a discount rate of 0.788% has been used to unwind this consideration, being the risk free rate.

Financial instruments are classified as follows:

	Group 2018 £	Company 2018 £
Financial assets measured at fair value:		
Put and call option – financial derivate	29,865	29,865
Financial assets measured at amortised cost:		
Trade receivables	563,523	-
Other receivables	235,040	87,325,487
Accrued income	4,841,470	-
Financial liabilities measured at amortised cost:		
Trade payables	154,309	44,398
Accruals	1,254,611	41,875
Loan notes from shareholder	39,106,973	39,106,973
Bank loans	116,974,321	116,974,321
Deferred share consideration	12,561,972	12,561,972
Financial liabilities measured at fair value:		
Interest rate swap	2,175,528	2,175,528

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

19. BUSINESS COMBINATIONS

Acquisition of GVO Wind Limited and its subsidiaries

On 28 February 2018, the Company acquired 80% of the share capital of GVO Wind Limited and its subsidiaries and a share option over the remaining 20% of the share capital, which gives the Company 100% effective control. The consideration paid for the 80% was £63,968,088 and the fair value of consideration payable for the remaining 20% is £15,742,936.

Goodwill of £5,640,900 was recognised from the acquisition of GVO Wind Limited and its subsidiaries. This represents the excess of implied consideration of £79,710,800 over the amount assigned to the net tangible and intangible assets identified. In evaluating the net tangible and intangible assets, the criteria applied is in accordance with IAS 38.

The goodwill comprises the value of expected portfolio effect and cost synergies arising from the acquisition which has the effect of stable, reduced cash flow risk and optimisation of cost, which is not separately recognised. Goodwill is allocated entirely to the wind asset. None of the goodwill recognised is expected to be deductible for income tax purposes.

The acquisition arrangement is such that the acquisition is a bundled acquisition of GVO Wind Limited and Bluemerang Capital Limited

The recognised amounts of identifiable assets acquired and liabilities assumed in relation to GVO Wind Limited and its subsidiaries are as follows:

	Book value £	Fair Value adjustment £	Fair value £
Intangible Fixed Assets	21,552,154	(21,552,154)	-
Tangible Fixed Assets	57,293,829	86,933,471	144,227,300
Receivables	3,878,110	-	3,878,110
Cash at bank and in hand	7,264,176	-	7,264,176
TOTAL ASSETS	89,988,269	65,381,317	155,369,586
LIABILITIES			
Due within one year	(1,152,896)	-	(1,152,896)
Due in over one year	(61,150,617)	-	(61,150,617)
Deferred tax on differences between fair value and tax basis	(2,478,766)	(16,517,359)	(18,996,125)
FAIR VALUE OF NET ASSETS	25,205,990	48,863,958	74,069,948
Goodwill	-	5,640,887	5,640,887
TOTAL PURCHASE CONSIDERATION	25,205,990	54,504,845	79,710,835
Purchase consideration settled in cash, as above	63,968,088	-	63,968,088
Cash and cash equivalents in subsidiary acquired	(7,264,176)	-	(7,264,176)
CASH OUTFLOW ON ACQUISITION	56,703,912	-	56,703,912

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

19. BUSINESS COMBINATIONS CONT'D

The results of GVO Wind Limited and its subsidiaries since its acquisition are as follows:

	Current period since acquisition £
Turnover	11,672,699
Loss for the year	(3,809,985)

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

19. BUSINESS COMBINATIONS CONT'D

Acquisition of Bluemerang Capital Limited and its subsidiaries

On 28 February 2018, the company acquired 80% of the share capital of Bluemerang Capital Limited and a share option over the remaining 20% of the share capital, which gives the company 100% effective control. The consideration paid for the 80% was £8,171,704 and the fair value of consideration payable for the remaining 20% is £2,925,700.

The negative goodwill arising has been recognised in the Consolidated Statement of Comprehensive Income on acquisition. Negative goodwill of £551,500 was derived from the acquisition of Bluemerang Capital Limited and its subsidiaries which is the excess of amount assigned to the net tangible and intangible assets identified over the implied consideration of £11,097,400. In evaluating the net tangible and intangible assets, the criteria applied is in accordance with IAS 38.

The bargain purchase is due to the acquisition arrangement. The acquisition is a bundled acquisition of Bluemerang Capital Limited and GVO Wind Limited. As a result, there is a bargain purchase recognised on Bluemerang Capital Limited which is the smaller wind portfolio of the two.

The recognised amounts of identifiable assets acquired and liabilities assumed in relation to Bluemerang Capital Limited and its subsidiaries are as follows:

	Book value £	Fair Value adjustment £	Fair value £
Intangible Fixed Assets	7,063,757	(7,063,757)	-
Tangible Fixed Assets	17,334,707	24,801,893	42,136,600
Receivables	1,185,467	-	1,185,467
Cash at bank and in hand	1,431,277	-	1,431,277
TOTAL ASSETS	27,015,208	17,738,136	44,753,344
LIABILITIES			
Due within one year	(552,224)	400,000	(152,224)
Due in over one year	(28,239,791)	-	(28,239,791)
Deferred tax on differences between fair value and tax basis	-	(4,712,360)	(4,712,360)
FAIR VALUE OF NET ASSETS	(1,776,807)	13,425,776	11,648,969
Goodwill	-	(551,661)	(551,661)
TOTAL PURCHASE CONSIDERATION	(1,776,807)	12,874,115	11,097,308
 Purchase consideration settled in cash, as above	 8,171,704	 -	 8,171,704
Cash and cash equivalents in subsidiary acquired	(1,431,277)	-	(1,431,277)
CASH OUTFLOW ON ACQUISITION	6,740,427	-	6,740,427

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2018**

19. BUSINESS COMBINATIONS CONT'D

The results of Bluemerang Capital Limited and its subsidiaries since its acquisition are as follows:

	Current period since acquisition £
Turnover	3,138,348
Loss for the period	(745,119)

20. OPERATING LEASE COMMITMENTS - AS LESSEE

	Group 2018 £
Not later than 1 year	663,682
Later than 1 year and not later than 5 years	2,659,228
Later than 5 years	11,698,437
	<u>15,021,347</u>

The Company has no operating lease commitments.

The Group has entered into land leases for the operational wind turbines. These leases have terms of between 25 and 52 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, some of the terms of the leases are renegotiated.

Some of the leases comprise contingent rental payments which may arise in the event that pre-determined percentages of revenue earned by the wind turbines exceed the minimum lease payments. The contingent rental payable is the difference between the pre-determined percentage of revenue and the minimum lease payments. The re-determined percentages are between 3% and 30%.

The use of the land under the leases is restricted to activities related to wind turbines operation. Other uses not related to wind turbines operation may require lessors' approvals.

21. RELATED PARTIES

Included within Loan Notes is £39,106,973 due to the ultimate immediate parent undertaking, TNB International Sdn Bhd.

22. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

As at 31 December 2018 the immediate parent undertaking was Tenaga Investments UK Ltd by virtue of its 100% shareholding in the Company.

As at 31 December 2018 the ultimate parent undertaking was TNB International Sdn Bhd, a company incorporated in Malaysia.

There is no ultimate controlling party.

The smallest group of which the company is a member for which group accounts are drawn up is Tenaga Investments UK Ltd. Copies of these group accounts are available from One Fleet Place, London, EC4M 7WS.

The largest group of which the company is a member for which group accounts are drawn up is TNB International Sdn Bhd. Copies of these group accounts are available from Pejabat Setiausaha Syarikat, Tingkat 2, Ibu Pejabat Tenaga Nasional Berhad, No. 129, Jalan Bangsar, 59200 Kuala Lumpur, Malaysia.

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2018

23. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company, all of which are incorporated in the UK, consolidated in these financial statements and have a registered office of 1st Floor, Sackville House, 143-149 Fenchurch Street, London, EC3M 6BL:

Company name	Class of share held	% owned	Direct/Indirect
GVO Wind Limited	Ordinary	80%	Direct
GVO Wind F-1 Limited	Ordinary	80%	Indirect
GVO Wind No.1 Limited	Ordinary	80%	Indirect
GVO Wind No.2 Limited	Ordinary	80%	Indirect
GVO Wind No.3 Limited	Ordinary	80%	Indirect
GVO Wind No.4 Limited (Mount Pleasant Limited)	Ordinary	80%	Indirect
GVO Wind No.5 Limited	Ordinary	80%	Indirect
GVO Wind No.6 Limited	Ordinary	80%	Indirect
GVO Wind No.7 Limited	Ordinary	80%	Indirect
Boghead WT Limited	Ordinary	80%	Indirect
GVO Wind No.9 Limited	Ordinary	80%	Indirect
GVO Wind No.10 Limited	Ordinary	80%	Indirect
GVO Wind No.11 Limited	Ordinary	80%	Indirect
GVO Wind No.12 Limited	Ordinary	80%	Indirect
GVO Wind No.13 Limited	Ordinary	80%	Indirect
GVO Wind No.14 Limited	Ordinary	80%	Indirect
Durpley WT Limited	Ordinary	80%	Indirect
GVO Wind No.16 Limited	Ordinary	80%	Indirect
GVO/CME Wind No.17 Limited	Ordinary	80%	Indirect
GVO/CME Wind No.18 Limited	Ordinary	80%	Indirect
Weston Town WT Limited	Ordinary	80%	Indirect
GVO Wind No.20 Limited	Ordinary	80%	Indirect
GVO Wind No.21 Limited	Ordinary	80%	Indirect
GVO Wind No.22 Limited	Ordinary	80%	Indirect
GVO Wind No.23 Limited	Ordinary	80%	Indirect
GVO Wind No.24 Limited	Ordinary	80%	Indirect
GVO Wind No.25 Limited	Ordinary A	80%	Indirect
GVO Wind No.27 Limited	Ordinary	80%	Indirect
GVO Wind No.28 Limited	Ordinary	80%	Indirect
GVO Wind No.29 Limited	Ordinary	80%	Indirect
GVO Wind No.30 Limited	Ordinary	80%	Indirect
GVO Wind No.31 Limited	Ordinary	80%	Indirect
GVO Wind No.32 Limited	Ordinary	80%	Indirect
Warren WT Limited	Ordinary	80%	Indirect
GVO Wind No.35 Limited	Ordinary	80%	Indirect
GVO Wind No.36 Limited	Ordinary	80%	Indirect
OGPW No.1 Limited	Ordinary	80%	Indirect
GVO Wind No.39 Limited	Ordinary	80%	Indirect
GVO Wind No.40 Limited	Ordinary	80%	Indirect
GVO Wind No.41 Limited	Ordinary	80%	Indirect
GVO Wind No.42 Limited	Ordinary	80%	Indirect
GVO Wind No.43 Limited	Ordinary	80%	Indirect
GVO Wind No.44 Limited	A	80%	Indirect
Bluemarang Capital Limited	Ordinary	80%	Direct
Ili (Wellgreen) Limited	Ordinary	80%	Indirect
BCL Castlerigg Limited	Ordinary	80%	Indirect
BCL Harmeston Limited	Ordinary	80%	Indirect
BCL Hunday Limited	Ordinary	80%	Indirect

TENAGA WIND VENTURES UK LTD AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
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23. SUBSIDIARY UNDERTAKINGS CONT'D

BCL Murex Bennacott Limited	A and B	80%	Indirect
LE18 Limited	Ordinary	80%	Indirect
LE19 Limited	Ordinary	80%	Indirect
Murex Bennacott Limited	Ordinary	80%	Indirect
BCL Gwynt Limited	A and B	80%	Indirect

Whilst the Company legally owns 80% of the share capital of the direct subsidiaries, a symmetrical put and call option is in place and thus it is virtually certain that either the parent or the non-controlling shareholder will exercise the option. Thus, the risks and rewards of ownership have transferred to the parent and no non-controlling interest has been recognised.