VATTENFALL

Norfolk Boreas Offshore Wind Farm

Applicant's Responses to the Examining Authority's Further Written Questions Appendices

Section 3

Appendices 3.1 - 3.3

Applicant: Norfolk Boreas Limited
Document Reference: ExA.FWQR.D5.V1
Deadline 5
Date: February 2020
Revision: Version 1

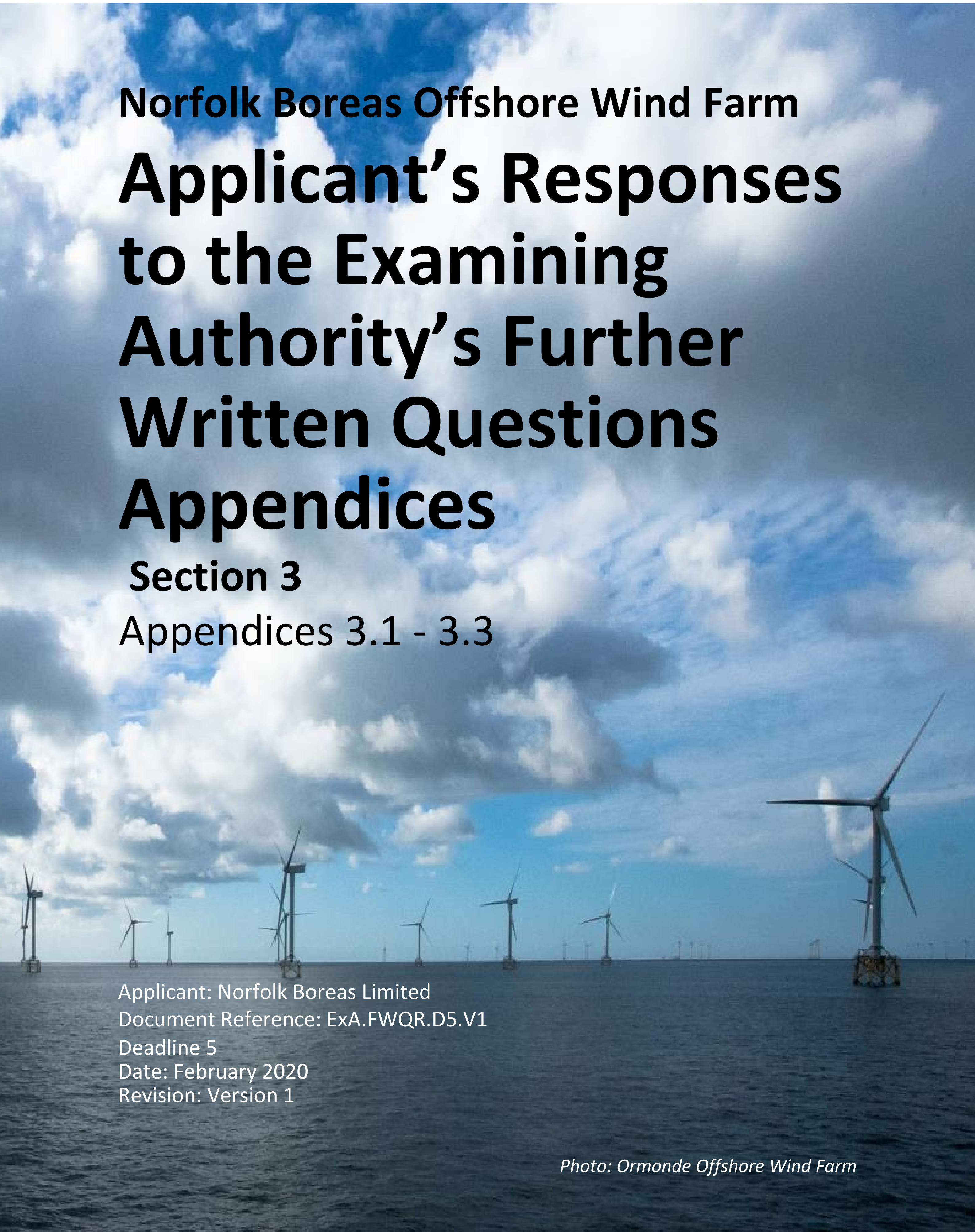

Photo: Ormonde Offshore Wind Farm

VATTENFALL

Norfolk Boreas Offshore Wind Farm

Applicant's Responses to the Examining Authority's Further Written Questions Appendix 3.1

Norfolk Boreas Limited Accounts

(Questions 2.3.0.1 – 2.3.0.4)

Applicant: Norfolk Boreas Limited
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Deadline 5
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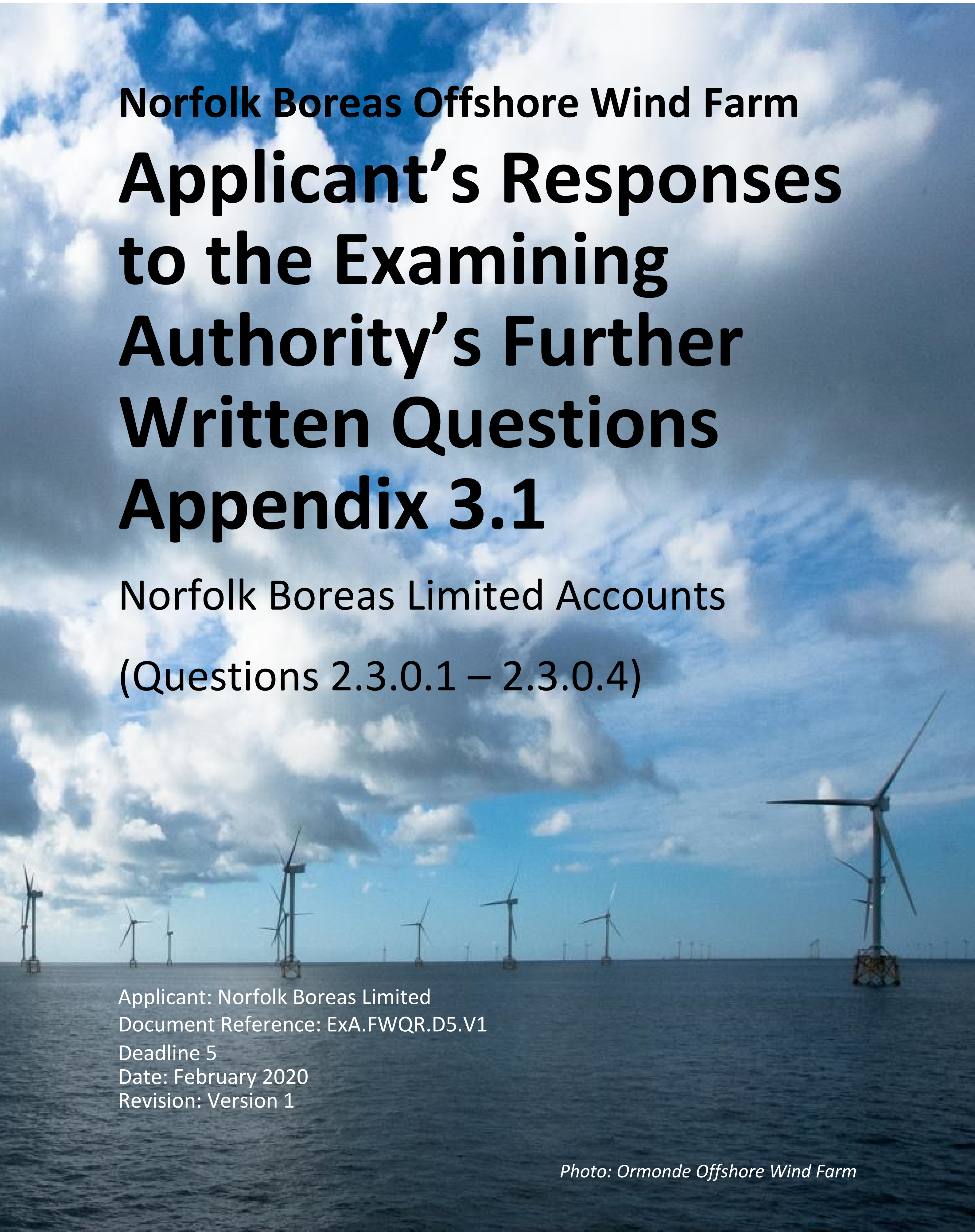


Photo: Ormonde Offshore Wind Farm

Registered number: 03722058

NORFOLK BOREAS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

NORFOLK BOREAS LIMITED

COMPANY INFORMATION

Directors	Catrin Jung- Draschil Jonas Van Mansfeld Michael Simmelsgaard
Registered number	03722058
Registered office	First Floor 1 Tudor Street London United Kingdom EC4Y 0AH
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

NORFOLK BOREAS LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

This report provides an overview of the current year performance, position and main issues that have been considered by the directors.

Business review

During the year the Company began the development of an offshore wind farm off the Norfolk coast, within the United Kingdom. The wind farm was not operational throughout the year ended 31 December 2018.

The ultimate parent undertaking is Vattenfall AB. One of the key focus areas of Vattenfall's strategy is building a more sustainable energy portfolio. Vattenfall has a committed and ambitious strategy for growth in renewable generation and plans to invest around 24 billion Swedish Krona in new wind farms over the next two years and similar amounts in the years following.

At 31 December 2018 the Vattenfall Group's installed capacity for Wind and Solar operating assets amounted to 2.8GW (1.1GW in the UK) split over more than 1,100 turbines and solar panels in five countries. During the financial year 2018 the Vattenfall Group had nine wind farms under construction in three countries, one of which was commissioned in 2018 and two of which will be fully commissioned in 2019. The other wind farms are expected to commence operations in 2020/2021. Furthermore, the Vattenfall Group pursues new opportunities through its pipeline of development projects, currently representing a size above 5GW.

Key performance indicators ("KPIs")

The principle KPI for the Company is project milestones, where budget, schedule, quality and safety are measured individually.

Within the development budgets granted, the Company is continuously working on realisation of the milestones planned. Within the type of projects that the Company develops, these milestones are spread out in time i.e. the next one is planned for 2019.

Principal risks and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk, liquidity risk and cash flow risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's Balance Sheet, the only financial risks the directors consider relevant to the Company are credit risk and liquidity risk. These risks are mitigated either by the Company being equity funded or by the nature of the balances owed, with these due to other Vattenfall group companies. Credit exposure represents the extent of credit-related losses that the Company may be subject to on amounts to be received from financial assets. The Company, while exposed to credit-related losses in the event of non-performance by counterparties does not expect any counterparties to fail to meet their obligations given their high credit quality. Operational risks are mitigated by having contractual arrangements in place which result in adequate and timely services taking place when technical difficulties are experienced at the site.

[redacted]igned on its behalf.

[redacted]

Jonas Van Mansfeld [redacted]
Director

Date: 3 July 2019

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year 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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company's principal activity consists of the development of an offshore wind farm off the Norfolk coast, within the United Kingdom. The Company is a private company limited by shares, domiciled in the United Kingdom and incorporated in England and Wales. During the year the Company's immediate parent undertaking was Vattenfall Wind Power Limited and the ultimate parent undertaking is Vattenfall AB, the Swedish based international utility company.

Going concern

The Company's cash flows are largely driven by its direct and intermediate parent companies and, as a consequence, the Company depends, in large parts, on the ability of these Vattenfall companies to continue as a going concern. The directors have considered the Company's funding and operational relationships with its direct and intermediate parents to date and have considered available relevant information relating to Vattenfall's ability to continue as a going concern. In addition, the directors have no reason to believe that the respective Vattenfall companies will not continue to fund the Company, should it become necessary, to enable it to continue in operational existence.

On the basis of these considerations, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting when preparing the financial statements.

Results and dividends

The loss for the year, after taxation, amounted to £45 thousand (2017 - profit £nil).

During the year a dividend of £nil (2017: £nil) was declared and paid in full to the shareholders.

Directors

The directors who served during the year were:

Catrin Jung- Draschil
Jonas Van Mansfeld
Michael Simmelsgaard

Future developments

The Company is continuously reviewing its business to stay responsive to the challenging energy market conditions and current low energy prices. It is our policy to refrain from making any specific statements about expected future results. However, on the basis of risk analysis and adequate operational processes, we have faith that we will be able to tackle the challenges ahead and to stay on top of our operations.

Qualifying third party indemnity provisions

Certain directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 17 June 2019 it was resolved by way of written resolution that the Company allot 36,000,000 ordinary fully paid £0.25p shares to Vattenfall Wind Power Limited at par value. These shares are yet to be issued at the date of approval of these financial statements.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

NORFOLK BOREAS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

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

[redacted]

Director

Date: 3 July 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NORFOLK BOREAS LIMITED

Opinion

We have audited the financial statements of Norfolk Boreas Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

Other information

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 Company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

[redacted]

Stuart Darrington (Senior Statutory Auditor)

for and on behalf of
Ernst & Young LLP, Statutory Auditor

London

3 July 2019

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Administrative expenses		**(52)**	-
Operating loss		**(52)**	-
Interest receivable and similar income	6	**9**	-
Loss before tax		**(43)**	-
Tax on loss		**(2)**	-
Loss for the financial year		**(45)**	-
Total comprehensive loss for the year		**(45)**	-

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income. All amounts relate to continuing activities.

The notes on pages 13 to 22 form part of these financial statements.

NORFOLK BOREAS LIMITED
REGISTERED NUMBER:03722058

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 £000		2017 £000
Fixed assets					
Tangible assets	8		2,673		-
Current assets					
Debtors: amounts falling due within one year	9	1,476		3,000	
		1,476		3,000	
Creditors: amounts falling due within one year	10	(1,194)		-	
Net current assets			282		3,000
Total assets less current liabilities			2,955		3,000
Net assets			2,955		3,000
Capital and reserves					
Called up share capital	12		3,000		3,000
Retained earnings			(45)		-
Total equity			2,955		3,000

[redacted]

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

[redacted]

Director

Date: 3 July 201[redacted]

The notes on pages 13 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2018	3,000	-	3,000
Comprehensive loss for the year			
Loss for the year	-	(45)	(45)
Total comprehensive loss for the year	-	(45)	(45)
Total transactions with owners	-	-	-
At 31 December 2018	3,000	(45)	2,955

The notes on pages 13 to 22 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Total equity
	£000	£000
At 1 January 2017	3,000	3,000
Comprehensive income for the year		
Profit for the year	-	-
Total comprehensive income for the year	-	-
Total transactions with owners	-	-
At 31 December 2017	3,000	3,000

The notes on pages 13 to 22 form part of these financial statements.

1. General information

The financial statements of Norfolk Boreas Limited (the "Company") for the year ended 31 December 2018 were approved by the board and authorised for issue on 03 July 2019 and the Balance Sheet was signed on the board's behalf by Jonas Van Mansfeld. Norfolk Boreas Limited is incorporated and domiciled in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

This is the first year of reporting under Financial Reporting Standard 101 'Reduced Disclosure Framework'. Previously, the Company was dormant and produced financial statements prepared in accordance with Section 1A of Financial Reporting Standard 102.

The financial statements are prepared using rounding to the nearest thousand of the functional and presentational currency, GBP.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2. Accounting policies (continued)

2.3 Change in accounting policy and disclosures

Unless otherwise stated, the accounting policies and method of computation adopted in the preparation of the financial statements are consistent with those of the previous year.

The following new and amended IFRS and IFRIC interpretations are mandatory as of 1 January 2018 unless otherwise stated and the impact of adoption is described below. There are no other changes to IFRS effective in 2018 which have a material impact on the Company.

IFRS 9 Financial instruments
IFRS 9 introduces new requirements for classifying, measuring and impairing financial instruments and hedge accounting. Under IFRS 9, loans and trade receivables may be measured at fair value through other comprehensive income or amortised cost depending on the characteristics of the contractual cash flows.

Under IFRS 9, the Company should also record expected credit losses on all of its debt securities, loans and trade receivables on a 12 month or lifetime basis.

IFRS 15 Revenue from contracts with customers
The standard replaces all previous revenue requirements in IFRS and applies to all revenue arising from contracts with customers. The standard outlines the principles an entity must apply to measure and recognise revenue. The standard is intended to assist entities in applying judgment when recognising revenue.

IFRIC Interpretation 22 Foreign currency transactions and advance consideration
IFRIC 22 clarifies that the transaction date is the date on which a company initially recognises the prepayment or deferred income arising from advance consideration.

New standards and interpretations not yet effective:

The Company has elected not to early adopt the following revised and amended standards, which are not yet mandatory in the EU.

The list below includes only standards and interpretations that could have an impact on the financial statements of the Company.

- IFRS 16 Leases (effective in the EU 1 January 2019)
- IFRIC Interpretation 23 Uncertainty over income tax treatments (effective in the EU 1 January 2019)
- AIP IAS 23 Borrowing costs - Borrowing costs eligible for capitalisation (effective in the EU 1 January 2019)
- IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors (effective in the EU 1 January 2020)

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 9

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 1 January 2018.

IFRS 15

From 1 January 2018, the Company has applied IFRS 15 using the cumulative effect method.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 1 January 2018.

2.5 Tangible fixed assets

All tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Assets under construction are capitalised as a separate component of property, plant and equipment. On completion, the cost of construction is transferred to the appropriate category. Assets under construction are not depreciated.

Borrowing costs directly attributable to assets under construction and which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset.

2.6 Development expenditure

Development expenditure is capitalised and held as assets under construction when the project is expected to become technically and commercially viable such that the project is expected to generate sufficient net cash flow to allow recovery of such expenditure. Otherwise, development expenditure for new wind farm projects is expensed as incurred. On disposal of a project, previously capitalised development expenditure will be transferred to the Statement of Comprehensive Income in the same period in which revenue is recognised.

2. Accounting policies (continued)

2.7 Debtors and accrued income

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Accrued income is measured at transaction price when the performance obligations under the SLA are satisfied, yet before consideration is received.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less any provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, the Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. Trade receivables are reported net and such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

2. Accounting policies (continued)

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'interest receivable and similar income' for gains or 'interest payable and expenses' for losses.

2.12 Interest expenses

Interest expenses are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.13 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date as well as revenues and expenses reported during the year.

The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the Balance Sheet date:

Capitalisation of costs

Judgment is applied in assessing the appropriate point at which to commence capitalising costs. This is based on an assessment of when the project is deemed commercially and technically viable, and therefore the level of certainty regarding the project's future profitability. Once the appropriate point at which to commence capitalising costs is determined, further judgment is applied in assessing the nature of costs incurred and whether these meet the capitalisation requirements as per IAS 16 Property, Plant and Equipment.

4. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements. No other services are provided to the Company.

	2018 £000	2017 £000
Fees for audit services	9	-

5. Employees

Number of employees
The average monthly number of employees (including directors) during the year was 3 (2017: 3). The Company's payroll costs are incurred by other entities within the Group, with the costs recharged to the Company.

Directors remuneration
The directors of the Company are also directors of the holding company and fellow subsidiaries. The directors remuneration for the year, apportioned to the Company based on the estimated individual director representation for the Company, amounts to £22 thousand (2017: £nil). All of the remuneration was paid by another Vattenfall Group company.

6. Interest receivable and similar income

	2018 £000	2017 £000
Interest receivable from group companies	9	-

7. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on profits for the year	2	-
Total current tax	2	-

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
(Loss)/profit on ordinary activities before tax	**(43)**	-
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	**(8)**	-
Effects of:		
Deferred tax not recognised	**10**	-
Total tax charge for the year	**2**	-

Factors that may affect future tax charges

In the 2016 Budget the UK Government announced that the main rate of corporation tax would be reduced to 17% with effect from 1 April 2020. However, as no deferred tax balance is recognised, the reduction has no impact upon these financial statements.

8. Tangible fixed assets

	Assets under construction £000
Cost or valuation	
At 1 January 2018	-
Additions	2,673
At 31 December 2018	2,673
Net book value	
At 31 December 2018	2,673
At 31 December 2017	-

9. Debtors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed by group undertakings	1,092	3,000
Other debtors	239	-
Prepayments and accrued income	145	-
	1,476	3,000

There has been no effect on contract asset balances due to factors relating to the timing of satisfaction of the Company's performance obligations and their relationship with the typical timing of payment.

10. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Bank overdrafts	111	-
Trade creditors	413	-
Amounts owed to group undertakings	605	-
Accruals and deferred income	65	-
	1,194	-

11. Financial instruments

	2018 £000	2017 £000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**1,123**	-
Financial liabilities		
Financial liabilities measured at amortised cost	**(1,129)**	-

Financial assets that are debt instruments measured at amortised cost comprise mostly of amounts owed by group companies.

Financial liabilities measured at amortised cost comprise mostly of amounts owed to group companies.

12. Share capital

	2018 £000	2017 £000
Authorised, allotted, called up and fully paid		
12,000,400 (2017 - 12,000,400) Ordinary shares of £0.25 each	**3,000**	3,000

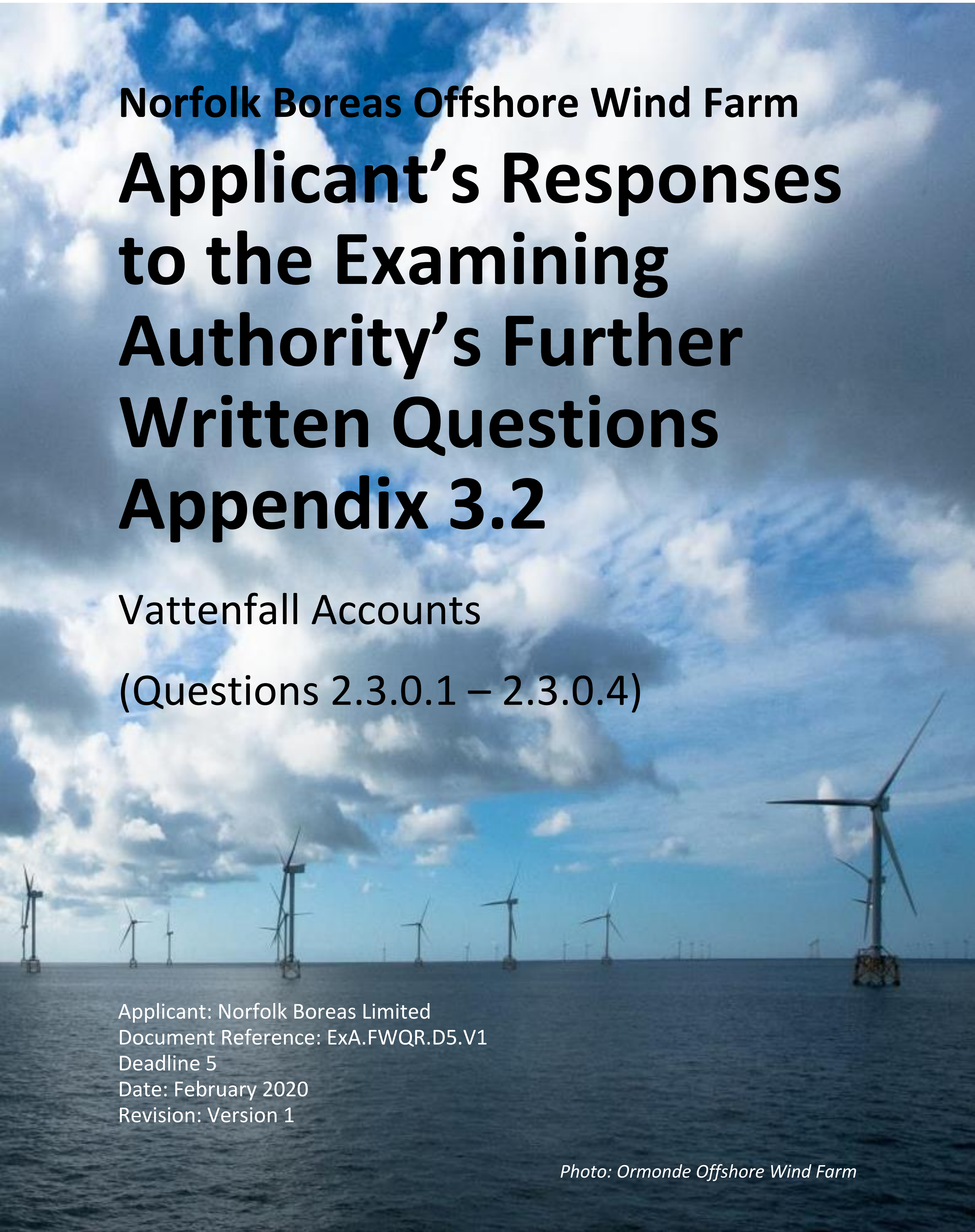
13. Ultimate parent undertaking and controlling party

At 31 December 2018 the immediate parent undertaking is Vattenfall Wind Power Ltd, a company registered in the United Kingdom. The Directors regard Vattenfall AB, a company registered in S-162 87 Stockholm, Sweden as the Company's controlling party and ultimate parent undertaking.

The results of the Company are included in the consolidated financial statements of Vattenfall AB which are available from the Vattenfall website, http://corporate.vattenfall.com.

14. First time adoption of FRS 101

The Company was incorporated when UK GAAP was applicable but has since been dormant until the current year. It's thus the first year adopting FRS 101 but there is no impact of the transition as the policies applied under the entity's previous accounting framework are not materially different to FRS 101.



Norfolk Boreas Offshore Wind Farm

Applicant's Responses to the Examining Authority's Further Written Questions Appendix 3.2

Vattenfall Accounts

(Questions 2.3.0.1 – 2.3.0.4)

Applicant: Norfolk Boreas Limited
Document Reference: ExA.FWQR.D5.V1
Deadline 5
Date: February 2020
Revision: Version 1

Photo: Ormonde Offshore Wind Farm

Registered number: 06205750

VATTENFALL WIND POWER LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

VATTENFALL WIND POWER LTD

COMPANY INFORMATION

Directors	Gunnar Groebler Robert Zurawski Jonas Van Mansfeld Danielle Claire Lane (appointed 1 August 2018)
Company secretary	Sandra Leece
Registered number	06205750
Registered office	First Floor 1 Tudor Street London United Kingdom EC4Y 0AH
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

VATTENFALL WIND POWER LTD

CONTENTS

VATTENFALL WIND POWER LTD

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

This report provides an overview of the current year performance, position and main issues that have been considered by the directors.

Business review

During the year the further structuring of the UK business for Vattenfall has evolved. The Company has purchased the entities Thanet Offshore Wind Limited and Kentish Flats Limited from Vattenfall Vindkraft AB, the Company's parent undertaking, and also Nuon UK Ltd from Nuon International Renewables BV (an indirect 100% undertaking of Vattenfall AB, the Company's ultimate parent).

During the year the Company sold its onshore wind farm, Ray Wind Farm, to its 100% subsidiary undertaking Ray Wind Farm Limited. The wind farm became fully operational in mid 2017. Until the date of transfer, revenues and costs for the wind farm are part of the result of the Company.

The ultimate parent undertaking is Vattenfall AB. One of the key focus areas of Vattenfall's strategy is building a more sustainable energy portfolio. Vattenfall has a committed and ambitious strategy for growth in renewable generation and plans to invest around 24 billion Swedish Krona in new wind farms over the next two years and similar amounts in the years following.

At 31 December 2018 the Vattenfall Group's installed capacity for Wind and Solar operating assets amounted to 2.8GW split over more than 1,100 turbines and solar panels in five countries. During the financial year 2018 the Vattenfall Group had nine wind farms under construction in three countries, one of which was commissioned in 2018 and two of which will be fully commissioned in 2019. The other wind farms are expected to commence operations in 2020/2021. Furthermore, the Vattenfall Group pursues new opportunities through its pipeline of development projects, currently representing a size above 5GW.

Specifically within Vattenfall Wind Power Ltd and its undertakings, several on- and offshore sites are being developed while others are already commissioned and operational. The completion status of these projects ranges from those sites undergoing the initial feasibility consultations up to those sites which are almost ready for construction to begin. With no sites currently under construction, the Company and its undertakings operate around 300 onshore and offshore turbines with an installed capacity of approximately 1.1 GW.

During the year under review the Company has divested its ownership in the Ray Wind Farm to its fully-owned subsidiary undertaking, Ray Wind Farm Limited. The onshore wind farm comprises 16 turbines that have a total installed capacity of 0.5GW and was taken into operation by the Company. The entity generated turnover of £14,752 thousand (2017: £nil) for the year ended 31 December 2018. This intragroup transaction has been executed at cost and therefore no capital gain/loss was recognised.

The Company made a profit before taxation for the year ended 31 December 2018 of £72,084 thousand (2017: £284 thousand) based on turnover of £40,436 thousand (2017: £47,984 thousand).

The profit figures above detail how the current year results have improved significantly on the prior year, largely as a result of increased dividends received from the 2018 acquired companies, particularly Thanet Offshore Wind Limited and Kentish Flats Limited. This is partly offset by the £43 million impairment recognised on the net investment in Kentish Flats Limited. Other factors impacting the result include the increased management charges levied to the growing number of group undertakings, showing in other operating income. This is partially offset by the decrease in turnover relating to the divesting of the Ray Wind Farm during the year.

Key performance indicators ("KPIs")

The principle KPI for the Company on development and construction projects is project milestones, where budget, schedule, quality and safety are measured individually. For the generating assets, the main KPI is turnover comprising turbine availability, wind resource and electricity price. Availability during the year has been similar at 98% (2017: 99%), with the volume of 329,069MWh (2017: 397,261MWh) down due to relatively low wind resources. Electricity prices have been higher during the year, averaging £123/KWh (2017: £121/KWh).

Principal risks and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk, liquidity risk and cash flow risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's Balance Sheet, the only financial risks the directors consider relevant to the Company are credit risk and liquidity risk. These risks are mitigated either by the Company being equity funded or by the nature of the balances owed, with these due to other Vattenfall group companies. Credit exposure represents the extent of credit-related losses that the Company may be subject to on amounts to be received from financial assets. The Company, while exposed to credit-related losses in the event of non-performance by counterparties does not expect any counterparties to fail to meet their obligations given their high credit quality. Operational risks are mitigated by having contractual arrangements in place which result in adequate and timely services taking place when technical difficulties are experienced at the site.

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

[redacted]

Jonas Van Mansfeld [redacted]
Director

Date: 3 July 2019

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year 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 financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The Company's principal activities consist of the development, construction and operation of wind energy projects in the United Kingdom. The Company is a private company limited by shares, domiciled in the United Kingdom and incorporated in England and Wales. During the year the Company's immediate parent undertaking was Vattenfall Vindkraft AB, a company registered in Sweden. The ultimate parent undertaking of the Company is Vattenfall AB, the Swedish based international utility company.

Going concern

The Company's cash flows are largely driven by its direct and intermediate parent companies and, as a consequence, the Company depends, in large parts, on the ability of these Vattenfall companies to continue as a going concern. The directors have considered the Company's funding and operational relationships with its direct and intermediate parents to date and have considered available relevant information relating to Vattenfall's ability to continue as a going concern. In addition, the directors have no reason to believe that the respective Vattenfall companies will not continue to fund the Company, should it become necessary, to enable it to continue in operational existence.

On the basis of these considerations, the directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Therefore, they continue to adopt the going concern basis of accounting when preparing the financial statements.

Results and dividends

The profit for the year, after taxation, amounted to £70,709 thousand (2017 - loss £980 thousand).

Dividend paid in the year is £nil (2017: £nil).

Directors

The directors who served during the year were:

Piers Guy (resigned 1 August 2018)
Gunnar Groebler
Robert Zurawski
Jonas Van Mansfeld
Danielle Claire Lane (appointed 1 August 2018)

Political and charitable contributions

During the year the Company made charitable contributions for educational purposes totalling £nil (2016: £200).

Future developments

The Company is continuously reviewing its business to stay responsive to the challenging energy market conditions and current low energy prices. Management has sourced its operation & maintenance with a service provider which allows for cost management and stability of cash flow. It is our policy to refrain from making any specific statements about expected future results. However, on the basis of risk analysis and adequate operational processes, we have faith that we will be able to tackle the challenges ahead and to stay on top of our operations.

Qualifying third party indemnity provisions

Certain directors benefited from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

On 17 June 2019 it was resolved by way of written resolution that the Company purchase 36,000,000 ordinary £0.25 shares in Norfolk Boreas Limited. These shares are yet to be issued at the date of approval of these financial statements.

On 17 June 2019 it was resolved by way of written resolution that the Company purchase 8,500,000 ordinary £1.00 shares in Norfolk Vanguard Limited. These shares are yet to be issued at the date of approval of these financial statements.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

[redacted]

Jonas Van Mansfeld
Director

Date: 3 July 201[redacted]

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VATTENFALL WIND POWER LTD

Opinion

We have audited the financial statements of Vattenfall Wind Power Ltd (the 'Company') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

Other information

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and 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 Company and its 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

[redacted]

Stuart Darrington (Senior statutory auditor)

for and on behalf of
Ernst & Young LLP, Statutory Auditor

London

3 July 2019

VATTENFALL WIND POWER LTD

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Turnover	4	**40,436**	47,984
Cost of sales		**(49,836)**	(56,615)
Gross loss		**(9,400)**	(8,631)
Administrative expenses		**(33,996)**	(32,882)
Other operating income	5	**33,184**	33,674
Operating loss	6	**(10,212)**	(7,839)
Income from fixed assets investments	9	**110,814**	15,593
Amounts written off investments	14	**(42,777)**	(21,301)
Interest receivable and similar income	10	**17,852**	15,003
Interest payable and expenses	11	**(3,593)**	(1,172)
Profit before tax		**72,084**	284
Tax on profit	12	**(1,375)**	(1,264)
Profit/(loss) for the financial year		**70,709**	(980)
Total comprehensive income/(loss) for the year		**70,709**	(980)

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income. All amounts relate to continuing activities.

The notes on pages 13 to 36 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 £000		2017 £000
Fixed assets					
Tangible assets	13		**183,336**		267,472
Investments	14		**825,986**		268,794
			1,009,322		536,266
Current assets					
Stocks	15	**3,673**		4,983	
Debtors due within 1 year	16	**556,991**		440,386	
Financial instruments	19	**249**		246	
Cash at bank and in hand	17	**-**		18,278	
		560,913		463,893	
Creditors: amounts falling due within one year	18	**(581,874)**		(81,903)	
Net current (liabilities)/assets			**(20,961)**		381,990
Total assets less current liabilities			**988,361**		918,256
Provisions for liabilities					
Deferred taxation	20	**(3,936)**		(7,698)	
Other provisions	21	**(14,750)**		(11,592)	
			(18,686)		(19,290)
Net assets			**969,675**		898,966
Capital and reserves					
Called up share capital	22		**787,000**		787,000
Retained earnings			**182,675**		111,966
Total equity			**969,675**		898,966

[redacted] and authorised for issue by the board and were signed on its behalf by:

[redacted]

Jonas Van Mansfeld
Director

Date: 3 July 2019

The notes on pages 13 to 36 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2018	787,000	111,966	898,966
Comprehensive income for the year			
Profit for the year	-	70,709	70,709
Total comprehensive income for the year	-	70,709	70,709
Total transactions with owners	-	-	-
At 31 December 2018	787,000	182,675	969,675

The notes on pages 13 to 36 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Retained earnings	Total equity
	£000	£000	£000
At 1 January 2017	682,000	112,946	794,946
Comprehensive loss for the year			
Loss for the year	-	(980)	(980)
Total comprehensive loss for the year	-	(980)	(980)
Shares issued during the year	105,000	-	105,000
Total transactions with owners	105,000	-	105,000
At 31 December 2017	787,000	111,966	898,966

The notes on pages 13 to 36 form part of these financial statements.

1. Authorisation of financial statements

The financial statements of Vattenfall Wind Power Ltd (the "Company") for the year ended 31 December 2018 were approved by the board and authorised for issue on 03 July 2019 and the Balance Sheet was signed on the board's behalf by Jonas Van Mansfeld. Vattenfall Wind Power Ltd is incorporated and domiciled in England and Wales.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements are prepared using rounding to the nearest thousand of the functional and presentational currency, GBP.

Consolidation

The Company is a wholly owned subsidiary of Vattenfall Vindkraft AB and of its ultimate parent, Vattenfall AB. It is included within the consolidated financial statements of Vattenfall AB, which are publicly available. Therefore the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 13 Evenemangsgaten, Solna, 16979, Sweden.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

2. Accounting policies (continued)

2.3 Change in accounting policy and disclosures

Unless otherwise stated, the accounting policies and method of computation adopted in the preparation of the financial statements are consistent with those of the previous year.

The following new and amended IFRS and IFRIC interpretations are mandatory as of 1 January 2018 unless otherwise stated and the impact of adoption is described below. There are no other changes to IFRS effective in 2018 which have a material impact on the Company.

IFRS 9 Financial instruments
IFRS 9 introduces new requirements for classifying, measuring and impairing financial instruments and hedge accounting. Under IFRS 9, loans and trade receivables may be measured at fair value through other comprehensive income or amortised cost depending on the characteristics of the contractual cash flows.

Under IFRS 9, the Company should also record expected credit losses on all of its debt securities, loans and trade receivables on a 12 month or lifetime basis.

IFRS 15 Revenue from contracts with customers
The standard replaces all previous revenue requirements in IFRS and applies to all revenue arising from contracts with customers. The standard outlines the principles an entity must apply to measure and recognise revenue. The standard is intended to assist entities in applying judgement when recognising revenue.

IFRIC Interpretation 22 Foreign currency transactions and advance consideration
IFRIC 22 clarifies that the transaction date is the date on which a company initially recognises the prepayment or deferred income arising from advance consideration.

New standards and interpretations not yet effective:

The Company has elected not to early adopt the following revised and amended standards, which are not yet mandatory in the EU.

The list below includes only standards and interpretations that could have an impact on the financial statements of the Company.

- IFRS 16 Leases (effective in the EU 1 January 2019)
- IFRIC Interpretation 23 Uncertainty over income tax treatments (effective in the EU 1 January 2019)
- AIP IAS 23 Borrowing costs - Borrowing costs eligible for capitalisation (effective in the EU 1 January 2019)
- IAS 1 Presentation of financial statements and IAS 8 Accounting policies, changes in accounting estimates and errors (effective in the EU 1 January 2020)

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 9

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 1 January 2018.

IFRS 15

From 1 January 2018, the Company has applied IFRS 15 using the cumulative effect method.

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 1 January 2018.

2.5 Development expenditure

Development expenditure is capitalised and held as assets under construction when the Company obtains planning consent and the project is expected to become technically and commercially viable such that the project is expected to generate sufficient net cash flow to allow recovery of such expenditure. Otherwise, development expenditure for new wind farm projects is expensed as incurred. On disposal of a project, previously capitalised development expenditure will be transferred to the Statement of Comprehensive Income in the same period in which revenue is recognised.

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The Company sells electricity under the terms of the Service Level Agreement ("SLA") with Vattenfall Energy Trading ("VET"). The SLA identifies two income streams subject to separate performance obligations under IFRS 15:

Income from the sale of electricity

Income from the sale of electricity is recognised when the performance obligations under the SLA are met. This occurs when electricity is transferred to VET at an amount that reflects the consideration the Company expects to be entitled in exchange for the electricity. Under such arrangements income is recognised according to contractual prices per unit of output multiplied by the actual power output delivered to VET in the period, subject to an administrative fee. Income from the sale of electrical energy is recognised net of VAT and other sales taxes.

2. Accounting policies (continued)

2.6 Revenue (continued)

ROC (Renewable Obligation Certificate) entitlement and Buyout Fund

A Renewable Obligation Certificate ("ROC") is an environmental credit issued to accredited generators for eligible renewable electricity. One ROC is issued for each megawatt hour of eligible renewable electricity generated. Income from the sale of ROCs is recognised once the performance obligation is satisfied at the point of sale of the associated electricity to VET at market price, subject to an administrative fee deduction.

In addition, the Company recognises income from the redistribution of the ROC Buyout Fund to eligible generators of renewable energy. The transaction price allocated is estimated on the basis of market data. Please refer to note 3 for further description of the ROCs revenue estimate.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to VET and payment by VET exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

A receivable is recognised when the goods are delivered 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. An accrued income balance is recognised when the performance obligations under the SLA are satisfied, yet before consideration is received.

2.7 Tangible fixed assets

All tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Assets under construction are capitalised as separate component of property, plant and equipment. On completion, the cost of construction is transferred to the appropriate category. Assets under construction are not depreciated.

Borrowing costs directly attributable to assets under construction and which meet the recognition criteria in IAS 23 are capitalised as part of the cost of that asset.

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- 20 years
Wind farm - gearboxes and generators	- 10 years
Solar farm	- 20 years
Fixtures, fittings & equipment	- 5 years
Wind farm - decommissioning asset	- 20 years
Wind farm - tower, blades, foundations etc	- 20 years

2.8 Leasing

Expenses paid for operating leases are reported in the Statement of Comprehensive Income on a straight-line basis over the leasing period. Leases are classified as either finance or operating leases. A finance lease exists when the economic risks and benefits associated with ownership are, in essence, transferred to the lessee. If this is not the case, it is classified as an operating lease. All of the Company's leases represent operating leases, details of which are further described in Note 23 Commitments under operating leases.

2.9 Impairment of fixed assets

Assets that are subject to depreciation are assessed at each Balance Sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets that have been previously impaired are reviewed at each Balance Sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.10 Investments

Investments in subsidiaries and joint ventures are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of its recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot

2. Accounting policies (continued)

be reliably determined, such investments are stated at historic cost less impairment.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each Balance Sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

2.12 Debtors and accrued income

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Accrued income is measured at transaction price when the performance obligations under the SLA are satisfied, yet before consideration is received.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Borrowing costs

Where material to the Company, general and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Accounting policies (continued)

2.15 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less any provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, the Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of receivables and historical experience. Trade receivables are reported net and such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

2. Accounting policies (continued)

2.16 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'interest receivable and similar income' for gains or 'interest payable and expenses' for losses.

2.18 Interest expenses

Interest expenses are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.19 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.20 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.21 Decommissioning provision

The Company has provided for the present value of estimated decommissioning costs from the time that the Company has an obligation to dismantle and remove a facility and restore the site on which it is located, and when a reasonable estimate of that provision can be made. The amount recognised is the present value of the estimated future expenditure determined in accordance with the local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of tangible assets.

Each year the decommissioning provision is subject to an unwinding of the discounted value in order to bring the provision up to the latest present value. The charge is included within interest payable in the Statement of Comprehensive Income.

Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the fixed asset.

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2. Accounting policies (continued)

2.23 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred balances are recognised in respect of all temporary differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date as well as revenues and expenses reported during the year.

The following estimates are dependent upon assumptions which could change in the next financial year and have a material effect on the carrying amounts of assets and liabilities recognised at the Balance Sheet date:

Impairment of investments

Impairment testing is an area involving management judgement, requiring the carrying amounts of the Company's investments to be reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Capitalisation of costs

Judgment is applied in assessing the appropriate point at which to commence capitalising costs. This is based on an assessment of when the project is deemed commercially and technically viable, and therefore the level of certainty regarding the project's future profitability. Once the appropriate point at which to commence capitalising costs is determined, further judgment is applied in assessing the nature of costs incurred and whether these meet the capitalisation requirements as per IAS 16 Property, Plant and Equipment.

Decommissioning

Significant estimates and assumptions are made in determining this provision as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, regulatory changes, cost increases and changes in discount rates. Those uncertainties may result in future actual expenditure differing from the amounts currently accounted for. The provision at the Balance Sheet date represents management's best estimate of the present value of the future closure costs required.

Renewable Obligation Certificate (ROC)

The Company estimated the value of its entitlement to the ROC (Renewable Obligation Certificate) Buyout Fund in relation to the 2018/2019 administrative year. In estimating the value of its entitlement, the Company estimates the value of the Ofgem Buyout Funds for the appropriate years and the number of ROCs that will be presented for the respective years. In the Company's Balance Sheet, amounts owed by group undertakings include £1,671 thousand (2017: £2,081 thousand) of accrued income in respect of the Company's share of the Ofgem Buyout Funds.

4. Turnover

	2018 £000	2017 £000
Income from sale of electricity	**20,610**	20,383
ROC (Renewable Obligation Certificate)	**19,826**	27,601
	40,436	47,984

All turnover arose within the United Kingdom. All turnover has been derived from group undertakings.

5. Other operating income

	2018 £000	2017 £000
Other operating income	**33,184**	33,674

Other operating income relates to costs recharged to other group undertakings.

6. Operating loss

The operating loss is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets	**16,452**	17,035
Impairment of tangible fixed assets	**-**	29
Exchange differences	**711**	(1,392)
Defined contribution pension cost	**1,264**	1,221
Operating leases and equipment hire	**3,113**	3,336

7. Auditor's remuneration

The Company paid the following amounts to its auditor in respect of the audit of the financial statements. No other services are provided to the Company.

	2018 £000	2017 £000
Fees for audit services	**46**	45

8. Employees

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	**15,778**	13,658
Social security costs	**1,742**	1,593
Cost of defined contribution scheme	**1,264**	1,221
	18,784	16,472

Directors remuneration

The directors of the Company are also directors of the holding company and fellow subsidiaries. The directors remuneration for the year, apportioned to the Company based on the estimated individual director representation for the Company, amounts to £130 thousand (2017: £164 thousand). All of the remuneration was paid by another Vattenfall Group company.

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 *No.*
Employees, of which 4 (2017: 6) are directors	**238**	226

9. Income from investments

	2018 £000	2017 £000
Dividends received	**110,814**	15,593

10. Interest receivable and similar income

	2018 £000	2017 £000
Fair Value Movement on currency derivatives	**164**	-
Interest receivable from group companies	**17,688**	15,003
	17,852	15,003

11. Interest payable and expenses

	2018 £000	2017 £000
Interest payable on loans from group undertakings	**2,686**	30
Fair Value Movement on currency derivatives	**740**	926
Unwinding of discount on decommissioning provision	**167**	216
	3,593	1,172

12. Taxation

	2018 £000	2017 £000
Corporation tax		
Tax on profits for the year	**606**	(2)
Adjustments in respect of previous periods	**3,265**	(287)
Total current tax	**3,871**	(289)
Deferred tax		
Origination and reversal of timing differences	**244**	1,329
Impact of change in tax laws and rates	**(35)**	(23)
Adjustments in respect of previous periods	**(2,705)**	247
Total deferred tax	**(2,496)**	1,553
Taxation on profit on ordinary activities	**1,375**	1,264

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit on ordinary activities before tax	**72,084**	284
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	**13,696**	55
Effects of:		
Expenses not deductible for tax purposes	**81**	173
Impact of changes in tax laws and rates	**(35)**	(23)
Adjustments to tax charge in respect of prior periods	**560**	(39)
Dividends from UK companies	**(21,055)**	(3,002)
Write down of investment in subsidiary	**8,128**	4,100
Total tax charge for the year	**1,375**	1,264

Factors that may affect future tax charges

In the 2016 Budget the UK Government announced that the main rate of corporation tax would be reduced to 17% with effect from 1 April 2020. The rate was substantively enacted before the Balance Sheet date and therefore the closing net deferred tax liability has been calculated at the rate applicable for the period in which the underlying temporary difference is expected to unwind.

Dividend income of £110,814 thousand (2017: £15,593 thousand) received from UK subsidiaries was treated as non-taxable due to the application of the UK dividend exemption.

13. Tangible fixed assets

	Freehold property £000	Wind farm £000	Solar farm £000	Fixtures, fittings & equipment £000	Wind farm decommissioning asset £000	Assets under construction £000	Total £000
Cost or valuation							
At 1 January 2018	2,137	291,264	4,653	4,076	10,858	16,073	329,061
Additions	-	-	-	127	-	9,672	9,799
Disposals	-	(86,050)	-	(286)	(986)	-	(87,322)
Transfers between classes	-	2,484	-	-	-	(2,484)	-
Adjustment to asset	-	-	-	-	4,494	-	4,494
At 31 December 2018	2,137	207,698	4,653	3,917	14,366	23,261	256,032
Depreciation							
At 1 January 2018	236	55,411	464	3,287	996	1,195	61,589
Charge for the year on owned assets	137	15,437	232	323	323	-	16,452
Disposals	-	(5,027)	-	(285)	(33)	-	(5,345)
At 31 December 2018	373	65,821	696	3,325	1,286	1,195	72,696
Net book value							
At 31 December 2018	1,764	141,877	3,957	592	13,080	22,066	183,336
At 31 December 2017	1,901	235,853	4,189	789	9,862	14,878	267,472

Tangible fixed assets (continued)

The decommissioning asset increased based on updates made to the calculation of the decommissioning provision. The opposite effect is shown in the decommissioning provision (see Note 21).

14. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 January 2018	268,794
Additions	664,969
Disposals	(65,000)
Amounts written off	(42,777)
At 31 December 2018	825,986

14. Investments (continued)

Additions

During the year the Company subscribed for 21,086,218 Ordinary shares of £1 each in Ray Wind Farm Limited for total consideration of £21,086 thousand.

During the year the Company subscribed for 7,000,000 Ordinary shares of £1 each in Norfolk Vanguard Limited for total consideration of £7,000 thousand.

During the year the Company subscribed for 12,000,000 Ordinary shares of £0.25 each in Norfolk Boreas Limited for total consideration of £3,000 thousand.

During the year the Company purchased all 434,185,005 Ordinary shares of £1 each in Thanet Offshore Wind Limited from Vattenfall Vindkraft AB for total consideration of £323,354 thousand.

During the year the Company purchased all 1,000,000 Ordinary shares of £1 each in Kentish Flats Limited from Vattenfall Vindkraft AB for total consideration of £137,397 thousand.

During the year the Company purchased all 142,055,102 Ordinary shares of £1 each in Nuon UK Ltd from Vattenfall Vindkraft AB for total consideration of £173,082 thousand.

During the year the Company recognised the final £50 thousand investment in Aberdeen Renewable Energy Group (AREG) following the ROC Accreditation.

Disposals

During the year the Company recognised a £65,000 thousand decrease in their investment in Thanet Offshore Wind Limited following the cancellation of 65,000,000 Ordinary shares of £1 each.

The profit on disposals for the year totalled £nil (2017: £nil).

Amounts written off

During the year the Company wrote down the investment in Kentish Flats Limited by £42,777 thousand to its expected recoverable amount as at 31 December 2018. The write down was required as the Company acquired the investment for substantially more than its carrying value. In determining the write down, the investment's value in use was calculated based on its forecasted cash flows discounted at a rate of 4.9%.

14. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Aberdeen Offshore Wind Farm Limited	Wind farm development	Ordinary	100%
Clashindarroch Wind Farm Limited	Power generation	Ordinary	100%
Kentish Flats Limited	Power generation	Ordinary	100%
Ormonde Energy Limited	Power generation	Ordinary	51%
Ray Wind Farm Limited	Wind farm development	Ordinary	100%
Thanet Offshore Wind Limited	Power generation	Ordinary	100%
Norfolk Vanguard Limited	Wind farm development	Ordinary	100%
Norfolk Boreas Limited	Wind farm development	Ordinary	100%
Nuon UK Ltd	Wind farm development	Ordinary	100%
East Anglia Offshore Wind Limited (Joint venture)	Wind farm development	Ordinary	50%
Aberdeen Wind Deployment Centre Limited	Dormant	Ordinary	100%
Ourack Wind Farm One Limited	Dormant	Ordinary	100%
Ourack Wind Farm Two Limited	Dormant	Ordinary	100%

The registered office address of all subsidiary undertakings listed above is First Floor, 1 Tudor Street, London, United Kingdom, EC4Y 0AH, with the exception of the following companies:

- Aberdeen Offshore Wind Farm Limited: The Tun Building, 4 Jacksons Entry, 8 Holyrood Road, Edinburgh, Scotland, United Kingdom, EH8 8AE.
- Nuon UK Ltd: Abbey Warehouse, Abbey Slip, Penzance, Cornwall, United Kingdom, TR18 4AR.
- East Anglia Offshore Wind Limited: Third Floor, 1 Tudor Street, London, United Kingdom, EC4Y 0AH.

14. Investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
Aberdeen Offshore Wind Farm Limited*	79,977	(271)
Clashindarroch Wind Farm Limited	18,928	1,032
Kentish Flats Limited	24,301	15,007
Ormonde Energy Limited	251,194	17,780
Ray Wind Farm Limited	24,998	3,912
Thanet Offshore Wind Limited	393,678	42,478
Norfolk Vanguard Limited	3,098	(62)
Norfolk Boreas Limited	2,955	(45)
Nuon UK Ltd	121,954	(204)
East Anglia Offshore Wind Limited (joint venture)	8,100	200

* Aberdeen Offshore Wind Farm Limited discloses draft figures as management are still to finalise the financial statements for the year ended 31 December 2018.

15. Stocks

	2018 £000	2017 £000
Raw materials and consumables	3,673	4,983

16. Debtors due within 1 year

	2018 £000	2017 £000
Trade debtors	**5**	600
Amounts owed by group companies	**542,650**	412,206
Other debtors	**2,685**	2,888
Prepayments and accrued income	**11,651**	24,692
	556,991	440,386

The balance owed by group undertakings includes loans bearing interest at an average of 3.70% (2017: 4.36%). The loans are repayable at the request of the Company.

17. Cash at bank and in hand

	2018 £000	2017 £000
Cash at bank and in hand	**-**	18,278

18. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	**5,474**	7,028
Amounts owed to group companies	**544,051**	48,031
Corporation tax	**409**	-
Taxation and social security	**515**	2,290
Other creditors	**5,599**	3,631
Accruals and deferred income	**25,826**	20,923
	581,874	81,903

The balance owed to group undertakings beared interest at an average of 1.61% (2017: 0.12%). The loans are repayable at the request of lenders Thanet Offshore Wind Limited and Vattenfall Treasury AB.

19. Financial instruments

	2018 £000	2017 £000
Financial assets		
Financial assets measured at fair value through profit or loss	**249**	18,523
Financial assets that are debt instruments measured at amortised cost	**551,201**	439,140
	551,450	457,663
Financial liabilities		
Financial liabilities measured at amortised cost	**(555,123)**	(59,020)

Financial assets measured at fair value through profit or loss comprise bank balances and forward foreign currency derivative contracts.

Financial assets measured at amortised cost comprise loans and receivables, the majority of which are made up of amounts owed by group companies and accrued income.

Financial liabilities measured at amortised cost comprise mostly of amounts owed to group companies.

20. Deferred taxation

	2018 £000
At beginning of year	(7,698)
Charged to the Statement of Comprehensive Income	2,497
Arising on business combinations	1,265
At end of year	**(3,936)**

The provision for deferred taxation is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	(5,525)	(10,993)
Tax losses carried forward	762	2,451
Other temporary differences	827	845
	(3,936)	(7,697)

21. Other provisions

	Decommissioning provision £000
At 1 January 2018	11,592
Effect of change in estimate	4,479
Disposals	(1,516)
Unwinding of discount	195
At 31 December 2018	**14,750**

Decommissioning provision

Provision has been made for estimated decommissioning costs which are calculated as the present value of estimated decommissioning costs using an average discount rate of 1.55% (2017: 1.69%).

Ray Wind Farm decommissioning provision

The disposal of £1,516 thousand relates to the transfer of the Ray Wind Farm to its fully-owned subsidiary undertaking, Ray Wind Farm Limited.

22. Share capital

	2018 £000	2017 £000
Authorised, allotted, called up and fully paid		
787,000,001 (2017 - 787,000,001) Ordinary shares of £1.00 each	**787,000**	787,000

23. Commitments under operating leases

In August 2008 the Company entered into a 25-year lease of an area of land from where it operates. The operating lease rental charge is based on both a fixed fee charge, disclosed below, and a variable charge contingent on MWh generation. As such, the variable charge commitment for the following year cannot be established in advance. The variable rental cost for the year ended 31 December 2018 was £264 thousand (2017: £254 thousand).

The operating lease commitments disclosed below relate to fixed land rental charges, explained above, and to the rental of office premises on Tudor Street, London, the registered office of the Company.

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Not later than 1 year	**492**	486
Later than 1 year and not later than 5 years	**1,970**	1,944
Later than 5 years	**4,015**	4,426
	6,477	6,856

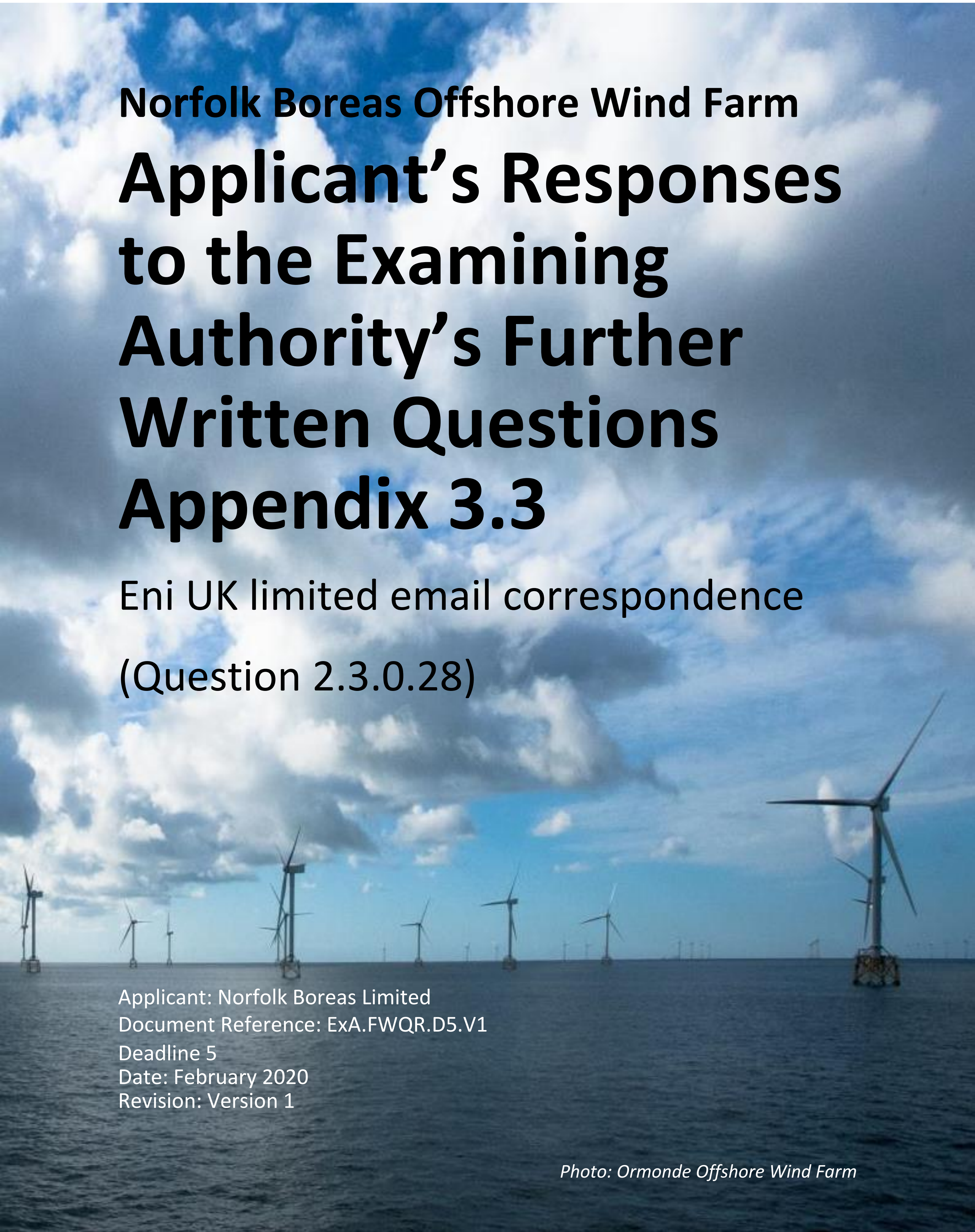
Future minimum lease payments have been calculated over the estimated remaining useful life of the wind farm.

24. Ultimate parent undertaking and controlling party

At 31 December 2018, the immediate parent undertaking is Vattenfall Vindkraft AB, a company registered in Sweden. The Directors regard Vattenfall AB, a company registered in S-162 87 Stockholm, Sweden as the Company's controlling party and ultimate parent undertaking.

The results of Vattenfall Wind Power Ltd are included in the consolidated financial statements of Vattenfall AB which are available from the Vattenfall website, http://corporate.vattenfall.com.

VATTENFALL



Norfolk Boreas Offshore Wind Farm

Applicant's Responses to the Examining Authority's Further Written Questions Appendix 3.3

Eni UK limited email correspondence

(Question 2.3.0.28)

Applicant: Norfolk Boreas Limited
Document Reference: ExA.FWQR.D5.V1
Deadline 5
Date: February 2020
Revision: Version 1

Photo: Ormonde Offshore Wind Farm

From:	Simon.Beswetherick@eni.com
To:	jake.laws@vattenfall.com
Cc:	Andrea.DegliAlessandrini@eni.com; Sarah.Blaney@eni.com; victoria.redman@wbd-uk.com; josh.taylor@wbd-uk.com
Subject:	RE: Norfolk Boreas - Examiners written questions
Date:	04 December 2019 10:14:56
Attachments:	image001.jpg

Jake,

Looks okay to me.

For your information, we are completing our operations on the Aspen well, and it is planned that the rig will leave by mid-December.

Best Regards,

Simon

Simon Beswetherick
Exploration Team Leader
Eni UK Limited,
Eni House,
10 Ebury Bridge Road,
London SW1W 8PZ
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From: jake.laws@vattenfall.com <jake.laws@vattenfall.com>
Sent: 04 December 2019 09:33
To: Beswetherick Simon <Simon.Beswetherick@eni.com>
Cc: Degli Alessandrini Andrea <Andrea.DegliAlessandrini@eni.com>; Blaney Sarah <Sarah.Blaney@eni.com>; victoria.redman@wbd-uk.com; josh.taylor@wbd-uk.com
Subject: RE: Norfolk Boreas - Examiners written questions

Hi Simon,

Please see the text we are proposing to include in response to point 4 of ExWQ 13.5.1. Would you be able to confirm that none of the information (i.e. that pertaining to exploratory drilling, or release of part of the license is confidential and that Eni are happy for us to include this in our response?:

The Applicant met with Eni UK Limited on the 7th of October 2019 to discuss respective projects and the potential for any interaction between them in the offshore environment.

On the 3rd of December 2019 Eni UK Limited confirmed that it had relinquished the part of licence P1964 that extends into the Norfolk Boreas Site. With regard to current activities, Eni UK Limited has informed the Applicant of an exploratory drilling campaign scheduled for a duration of 55- 60 days, commencing in October 2019 and taking place in the Aspen Well (53/14a-2). This well is located some 28km from the Norfolk Boreas Site at its closest point and 19km from the Norfolk Boreas offshore cable corridor at it closest point. As such, there is no potential for any interaction by Norfolk Boreas with the activities of Eni UK Limited and it is therefore not necessary or appropriate to include any provisions in the dDCO for the benefit of Eni UK Limited.

If you were able to get back to us today that would be greatly appreciated as we are looking to finalise questions this week.

Best Regards,

Jake Laws
Consents Manager- Norfolk Boreas

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From: Beswetherick Simon <Simon.Beswetherick@eni.com>
Sent: 03 December 2019 08:33
To: Laws Jake (WO-MC) <jake.laws@vattenfall.com>
Cc: Gribble Laura (WO-MB) <laura.gribble@vattenfall.com>; Driver Robert (WO-EEH) <robert.driver@vattenfall.com>; Degli Alessandrini Andrea <Andrea.DegliAlessandrini@eni.com>; Blaney Sarah <Sarah.Blaney@eni.com>
Subject: RE: Norfolk Boreas - Examiners written questions

Dear Jake,

Many thanks for your email. By way of update, Eni UK has recently relinquished the part of its Licence P1964 that extends into Norfolk Boreas. As such, we believe that the questions proposed are no longer relevant.

Do let me know if you would like to discuss this matter further.

Kind regards,

Simon

Simon Beswetherick
Exploration Team Leader
Eni UK Limited,
Eni House,
10 Ebury Bridge Road,
London SW1W 8PZ
Telephone 0207 3446024
simon.beswetherick@eni.com

From: jake.laws@vattenfall.com <jake.laws@vattenfall.com>
Sent: 29 November 2019 10:31
To: Beswetherick Simon <Simon.Beswetherick@eni.com>; Ashbourne Charles (Disabled) <Charles.Ashbourne@external.eni.com>
Cc: laura.gribble@vattenfall.com; robert.driver@vattenfall.com; Degli Alessandrini Andrea <Andrea.DegliAlessandrini@eni.com>
Subject: RE: Norfolk Boreas - Examiners written questions

Hi Simon,

It was good to talk to you on Wednesday. I was wondering whether you had given any more thought to a catch up call next week?

Best Regards,

Jake Laws
Consents Manager- Norfolk Boreas

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From: Laws Jake (WO-MC)
Sent: 27 November 2019 13:33
To: Beswetherick Simon <Simon.Beswetherick@eni.com>; Charles.Ashbourne@external.eni.com
Cc: andrea.deglialessandra@eni.com; Gribble Laura (WO-MB) <laura.gribble@vattenfall.com>; Driver Robert (WO-EEH) <robert.driver@vattenfall.com>; Peters Robin (WO-WP) <robin.peters@vattenfall.com>
Subject: Norfolk Boreas - Examiners written questions
Importance: High

Dear Simon,

I hope you are well. As you may have seen in the recent Examiners Questions published on the Planning Inspectorates website, there is a question directed at both ENI and Norfolk Boreas (the Applicant). This question is 13.5.1 (page 62) in the attached PDF. Following on from our meeting on the 7th of October our intention was to respond to point 4 of the question based on the pertinent information as provided by yourselves during the call in that:

- Current drilling activity is located at the Aspen well, if successful then there could be a further 55-60 days of seisimic activity over the Aspen well. This site is some distance from the Norfolk Boreas site, so there is no potential for interaction currently.
- Depending on success of the above the License block which Norfolk Vanguard East sits in could potentially investigated in 2021
- There are currently no plans to investigate within the Norfolk Boreas at this stage.
- That both parties maintain open lines of communication and agree keep one another informed of progress and plans of respective developments (we would be happy to set up a regular forum if felt necessary or helpful).

If you would like to catch up on a call to discuss this that would be great. I have availability on Thursday and Friday as well as next week (but noting the deadline for submission is the 10th of December).

Best Regards,

Jake Laws

Consents Manager, Norfolk Boreas,

Market Development Offshore, BA Wind

Vattenfall Wind Power Ltd

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Vattenfall Wind Power Ltd

We have recently changed the registered offices of a number of our companies. The following are now registered at First Floor, 1 Tudor Street, London, EC4Y 0AH: Vattenfall Wind Power Ltd, Vattenfall Heat UK Limited, Clashindarroch Wind Farm Limited, Vattenfall UK Sales Limited, Norfolk Boreas Limited, Kentish Flats Limited, Norfolk Vanguard Limited, Ormonde Energy Limited ,Ourack Wind Farm One Limited, Ourack Wind Farm Two Limited, Thanet Offshore Wind Limited.

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