

STATUTORY COPY

NORTHLAND POWER UK LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2021

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NORTHLAND POWER UK LIMITED

COMPANY INFORMATION

Directors	Arend Roelf Drenthe Nigel Gordon Slater David Edward Povall
Company secretary	SISEC Limited
Registered number	11587463
Registered office	21 Holborn Viaduct London EC1A 2DY
Independent auditors	Leigh Carr Chartered Accountants & Statutory Auditor 12 Helmet Row London EC1V 3QJ

NORTHLAND POWER UK LIMITED

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NORTHLAND POWER UK LIMITED
REGISTERED NUMBER: 11587463

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	5	871,461	3,107,660
Cash at bank and in hand		1,728,110	124,276
		<u>2,599,571</u>	<u>3,231,936</u>
Creditors: amounts falling due within one year	6	(1,739,951)	(2,708,475)
Net current assets		<u>859,620</u>	<u>523,461</u>
Net assets		<u>859,620</u>	<u>523,461</u>
Capital and reserves			
Called up share capital	8	10	10
Capital contribution reserve	9	250,000	250,000
Profit and loss account	9	609,610	273,451
Shareholder's funds		<u>859,620</u>	<u>523,461</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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


Arend Roelf Drenthe
Director

Date:

6/6/22

The notes on pages 3 to 10 form part of these financial statements.

NORTHLAND POWER UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Capital contribution reserve	Profit and loss account	Shareholder's funds
	£	£	£	£
At 1 January 2020	10	250,000	84,968	334,978
Comprehensive income for the year				
Profit for the year	-	-	188,483	188,483
At 1 January 2021	10	250,000	273,451	523,461
Comprehensive income for the year				
Profit for the year	-	-	336,159	336,159
At 31 December 2021	10	250,000	609,610	859,620

The notes on pages 3 to 10 form part of these financial statements.

NORTHLAND POWER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Northland Power UK Limited (the "Company") is a private company limited by shares, incorporated and domiciled in England and Wales. The registered number is 11587463. The company's registered office is 21 Holborn Viaduct, London, EC1A 2DY

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement 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 requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- 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;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- 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.

2.3 Impact of new international reporting standards, amendments and interpretations

There are no amendments to International reporting standards, amendments or interpretations that are effective for the year ended 31 December 2021 that have a material impact on the Company's financial statements.

NORTHLAND POWER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and amounts included in financial statements are rounded to the nearest pound.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

A receivable is recognised when the services 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.

The Company entered into a service level agreement with Northland Power Development Services Inc. whereby agreed service expenses are charged on with a mark-up as detailed in the agreement.

Rendering of services

Turnover from providing services is recognised in the accounting period in which the services are rendered.

NORTHLAND POWER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The Company has only entered into short-term leases during the period.

2.7 Finance costs

Finance costs are charged to profit or loss 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.

2.8 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 payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NORTHLAND POWER UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 reporting date.

2.10 Debtors

Trade receivables are measured at transaction price, less expected losses over the agreed payment period on first-time recognition. An additional impairment loss is recognised if there are objective indications that a receivable may be defaulted on. The loss allowances to be recognised are calculated in the amount of the expected losses over the total remaining period.

2.11 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.

2.12 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 and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

NORTHLAND POWER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.12 Financial instruments (continued)

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of financial assets

The Company always recognises lifetime expected credit loss ("ECL") for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>5,250</u>	<u>4,790</u>

NORTHLAND POWER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Employees

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

2021 No.	2020 No.
15	6

5. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	794,769	2,937,515
Other debtors	49,319	84,265
Prepayments and accrued income	24,988	85,732
Deferred taxation (note 12)	2,385	148
	<u>871,461</u>	<u>3,107,660</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

6. Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	18,217	903,374
Amounts owed to group undertakings	1,521,992	1,334,630
Corporation tax	69,476	43,177
Other taxation and social security	83,721	40,599
Other creditors	14,158	7,253
Accruals and deferred income	32,387	379,442
	<u>1,739,951</u>	<u>2,708,475</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

NORTHLAND POWER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Deferred taxation

	2021 £
At beginning of year	148
Charged to profit or loss	2,237
At end of year	<u><u>2,385</u></u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Timing differences	<u>2,385</u>	<u>148</u>

8. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10 (2019: 10) Ordinary shares of £1.00 each	<u>10</u>	<u>10</u>

The share capital of the Company consists only of fully paid ordinary shares with a nominal (par) value of £1 each per share. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at shareholders' meetings of the Company.

9. Capital and reserves

The capital and reserves of the Company are as follows:

Called up share capital

Called up share capital represents the nominal value of shares that have been issued.

Capital contribution reserve

In April 2019, NP Development Holdings Inc resolved to make a capital contribution of £250,000 in cash. This contribution is non-repayable and non-refundable.

Profit and loss account

The profit and loss account represents cumulative profits, losses and other recognised gains and losses made by the Company, including distributions to the parent company.

NORTHLAND POWER UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £90,743 (2020: £28,098). There was an amount of £14,158 (2020: £7,253) outstanding at the reporting date which is included in other creditors.

11. Commitments under operating leases

At 31 December, the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	<u>1,200</u>	<u>7,268</u>

12. Subsequent events

There have been no significant events affecting the Company since the reporting date.

13. Controlling party

The Company's immediate parent company is NP Development Holdings Inc., a company registered in Canada. The Company's ultimate parent company, and the smallest and largest group of undertakings which prepare consolidated financial statements that include the Company is NP Development Holdings Inc., a company registered in Canada. Copies of the consolidated financial statements can be obtained from www.northlandpower.com.

The Directors consider there to be no ultimate controlling party.

14. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 8/6/22 by Ralph de Souza (Senior statutory auditor) on behalf of Leigh Carr.