Registration number: 07103802

Celtic Array Limited

Annual Report and Financial Statements
For the year ended 31 December 2018

Celtic Array Limited

Annual Report and Financial Statements for the year ended 31 December 2018

Contents

Celtic Array Limited

Strategic report for the year ended 31 December 2018

The Directors present the Strategic report of Celtic Array Limited ('the Company') and its subsidiary (together 'the Group') for the year ended 31 December 2018.

Principal activities
The principal activity of the Company is that of a holding company for the wholly owned and dormant subsidiary Rhiannon Wind Farm Limited. The Group is owned and operated under a joint venture structure, utilising resource from parent undertakings as required.

Review of the business
The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The Directors' intention is to now explore the opportunity to voluntarily wind up the Company and its subsidiary at a point in the foreseeable future once all contractual relationships have been finalised. As a result of this intention the Group and Company financial statements have now been prepared on a basis other than going concern. Specifically, all balances are now being held at their recoverable amount.

The change in the basis of preparation and the evaluation of recoverable amounts has had no impact on the classification and measurement of balances within the financial statements. In addition, no additional liabilities have been noted.

The comparative information presented in the Group and Company financial statements was prepared on a going concern basis and continues to be presented on that basis.

Key performance indicators ('KPIs')
Given the straightforward nature of the business, the Directors are of the opinion that analysis using KPIs is not necessary or appropriate for an understanding of the development, performance or position of the business.

Financial position
The financial position of the Company and of the Group is presented in the statements of financial position on page 10. Total equity of the Company at 31 December 2018 was £12,049,000 (2017: £12,062,000) and of the Group was £12,049,000 (2017: £12,062,000).

Principal risks and uncertainties
Risks are formally reviewed and appropriate processes are put in place to monitor and mitigate them.

At present the Group is undertaking limited activities and so its principal risks and uncertainties are limited to ensuring the recovery of value from its assets.

Financial risk management and a description of the financial risks applicable to the Group are commented on in the Directors' report on page 3.

Strategic report for the year ended 31 December 2018 (continued)

This Strategic report was approved by the Board on 19 September 2019.

KATE HUDSON

By Order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales No. 07103802

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Celtic Array Limited

Directors' report for the year ended 31 December 2018

The Directors present their report and the audited consolidated financial statements for the year ended 31 December 2018.

Directors

The following served as Directors during the year and up to the date of signing the consolidated financial statements, unless otherwise stated:

M R Futyan

A Madsen

R M McCord

B J Sykes

Results and dividends

The results of the Group are set out on page 8. The consolidated loss for the year ended 31 December 2018 is £13,000 (2017: loss of £14,000).

No dividends were paid during the year (2017: £nil) and the Directors do not recommend the payment of a final dividend (2017: £nil).

Financial instruments

Objectives and policies

The Directors have established objectives and policies for managing financial risks to enable the Group to achieve its long-term shareholder value targets within a prudent risk management framework. These objectives and policies are regularly reviewed. Exposure to counterparty credit risk and liquidity risk arises in the normal course of the Group's business. This is discussed further in note 17.

Credit risk, liquidity risk and cash flow risk

• Counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits.
• Cash forecasts identifying the liquidity requirements of the Group are produced and reviewed.
• Liquidity risk is managed through funding arrangements with the shareholders.

The Group did not take part in hedging of any kind (2017: £nil).

Future developments

Company is undertaking limited activities to ensure the recovery of value from its assets. The future outlook for the Company is commented on in the 'Review of the business' section of the Strategic report on page 1.

Directors' and officers' liability

The ultimate parent undertakings, Centrica plc and Ørsted A/S, have provided Directors' and officers' liability insurance for their respective appointees. The insurance does not provide cover in the event that the Director is proved to have acted fraudulently.

Statement of Directors' responsibilities in respect of the consolidated financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed for the Group financial statements and IFRSs as adopted by the European Union have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

Disclosure of information to the auditors

Each of the Directors who held office at the date of approval of the Directors' report that so far as they are aware, there is no relevant audit information of which the Group's auditors are unaware, and they have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Reappointment of independent auditors

The independent auditors PricewaterhouseCoopers LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006 and therefore continue in office.

This Directors' report was approved by the Board on 19 September 2019.

KATE HUDSON

By Order of the Board for and on behalf of Centrica Secretaries Limited
Company Secretary

Company registered in England and Wales No. 07103802

Registered office:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

Independent auditors' report to the members of Celtic Array Limited

Report on the audit of the financial statements

Opinion

In our opinion, Celtic Array Limited's Group financial statements and Company financial statements (the 'financial statements'):

- give a true and fair view of the state of the Group's and of the company's affairs as at 31 December 2018 and of the Group's loss and the Group's and the Company's cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union and, as regards the Company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the 'Annual Report'), which comprise: the consolidated and company statements of financial position as at 31 December 2018; the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company statements of cash flows, and the consolidated and company statements of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Independent auditors' report to the members of Celtic Array Limited (continued)

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements
As explained more fully in the Statement of Directors' responsibilities in respect of the consolidated financial statements set out on page 4, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report to the members of Celtic Array Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

KStent

Katherine Stent (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

19 September 2019

Celtic Array Limited

Consolidated income statement for the year ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Administrative expenses	5	(13)	(14)
Operating loss		(13)	(14)
Loss on ordinary activities before income tax		(13)	(14)
Loss for the year		(13)	(14)

The above results were derived from continuing operations.

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

Celtic Array Limited

Consolidated statement of comprehensive income for the year ended 31 December 2018

	2018 £ 000	2017 £ 000
Loss for the year	(13)	(14)
Total comprehensive expense for the year	(13)	(14)

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

Celtic Array Limited

Consolidated and Company statements of financial position as at 31 December 2018

	Note	Group 2018 £ 000	Group 2017 £ 000	Company 2018 £ 000	Company 2017 £ 000
Assets					
Non-current assets					
Investments in subsidiaries	10	-	-	-	-
Total non-current assets		-	-	-	-
Current assets					
Trade and other receivables	11	11,838	11,838	11,838	11,838
Cash and cash equivalents	12	224	239	224	239
Total current assets		12,062	12,077	12,062	12,077
Total assets		12,062	12,077	12,062	12,077
Equity and liabilities					
Current liabilities					
Trade and other payables	13	13	15	13	15
Total liabilities		13	15	13	15
Equity					
Share capital	14	58,969	58,969	58,969	58,969
Accumulated losses	15	(46,920)	(46,907)	(46,920)	(46,907)
Total equity		12,049	12,062	12,049	12,062
Total equity and liabilities		12,062	12,077	12,062	12,077

A loss of £13,000 (2017: loss of £14,000) is dealt with in the financial statements of Celtic Array Limited. The loss on ordinary activities before taxation was £13,000 (2017: loss of £14,000).

The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and have not presented an income statement for the Company alone.

The financial statements on pages 8 to 22 were approved by the Board on 19 September 2019 and signed on behalf of the Board:

Richard Mcl

R M McCord
Director

Registered Number: 07103802

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

Consolidated and Company statements of changes in equity for the year ended 31 December 2018

Group and Company

	Share capital £ 000	Accumulated losses £ 000	Total equity £ 000
At 1 January 2018	58,969	(46,907)	12,062
Loss for the year	-	(13)	(13)
Total comprehensive expense for the year	-	(13)	(13)
At 31 December 2018	58,969	(46,920)	12,049

	Share capital £ 000	Accumulated losses £ 000	Total equity £ 000
At 1 January 2017	58,969	(46,893)	12,076
Loss for the year	-	(14)	(14)
Total comprehensive expense for the year	-	(14)	(14)
At 31 December 2017	58,969	(46,907)	12,062

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

Celtic Array Limited

Consolidated and Company statements of cash flows for the year ended 31 December 2018

	Note	Group 2018 £ 000	Group 2017 £ 000	Company 2018 £ 000	Company 2017 £ 000
Cash flows from operating activities					
Loss for the year		(13)	(14)	(13)	(14)
Working capital adjustments:					
(Decrease)/increase in trade and other payables		(2)	4	(2)	4
Net cash flow used in operating activities		(15)	(10)	(15)	(10)
Net decrease in cash and cash equivalents		(15)	(10)	(15)	(10)
Cash and cash equivalents at 1 January		239	249	239	249
Cash and cash equivalents at 31 December		224	239	224	239

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

Celtic Array Limited

Notes to the consolidated financial statements for the year ended 31 December 2018

1 **General information**

The Company and its subsidiary are private companies limited by shares, incorporated and domiciled in the United Kingdom, and registered in England & Wales.

The registered office and principal place of business is:
Millstream
Maidenhead Road
Windsor
Berkshire
SL4 5GD

2 **Accounting policies**

Statement of compliance
The Group financial statements have been prepared in accordance with International Financial Reporting Standards and IFRS Interpretations Committee interpretations as adopted by the European Union ('adopted IFRSs') and the Companies Act 2006 applicable to companies reporting under IFRS.

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
The Group financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertaking. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting. Each company in the Group has adopted the same accounting policies and they are applied uniformly across the Group. All intra-group transactions and profits are eliminated in full on consolidation.

The Directors' intention is to now explore the opportunity to voluntarily wind up the Company and its subsidiary at a point in the foreseeable future once all contractual relationships have been finalised. As a result of this intention the Group and Company financial statements have now been prepared on a basis other than going concern. Specifically, all balances are now being held at their recoverable amount.

The change in the basis of preparation and the evaluation of recoverable amounts has had no impact on the classification and measurement of balances within the financial statements. In addition, no additional liabilities have been noted.

The comparative information presented in the Group and Company financial statements was prepared on a going concern basis and continues to be presented on that basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Celtic Array Limited

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

2 **Accounting policies (continued)**

Changes in accounting policy

New standards, amendments and interpretations adopted
From 1 January 2018, the following standards and amendments are effective in the Company's Financial Statements. Their first time adoption did not have a material impact on the financial statements:
IFRS 9: 'Financial Instruments'
IFRS 15: 'Revenue from contracts with customers'

The impact of adoption of these standards and the key changes to the accounting policies are disclosed below.

IFRS 9: 'Financial Instruments'
The Company adopted IFRS 9: 'Financial Instruments' from 1 January 2018. In accordance with the transition provisions in the Standard, comparatives have not been restated.

Classification of financial assets
IFRS 9 requires the use of two criteria to determine the classification of financial assets: the entity's business model for the financial assets and the contractual cash flow characteristics of the financial assets. The Standard goes on to identify three categories of financial assets - amortised cost; fair value through profit or loss (FVTPL); and fair value through other comprehensive income (FVOCI).

Impairment
IFRS 9 mandates the use of an expected credit loss model to calculate impairment losses rather than an incurred loss model, and therefore it is not necessary for a credit event to have occurred before credit losses are recognised. The new impairment model applies to the Company's financial assets and loan commitments. No changes to the impairment provisions were made on transition to IFRS 9 as these are not considered material.

IFRS 15: 'Revenue with contracts from customers'
The primary impact of application is the revision of accounting policies to reflect the five-step approach to revenue recognition required by IFRS 15.

New standards, amendments and interpretations not yet adopted
None of the standards, interpretations and amendments which are effective for periods beginning after 1 January 2019, and which have not been adopted early, would be expected to have a material effect on the financial statements.

Foreign currency transactions and balances
The financial statements of the Group and the Company are presented in pounds sterling, which is the functional currency of the Company and its subsidiary. Transactions in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date, and movements are included in the income statement.

Investments
Fixed Asset investments are shown at cost less any provision for impairment. Investments consist of equity interests in subsidiaries.

2 **Accounting policies (continued)**

Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit ('CGU') is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

Financial assets and liabilities

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the Group no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

The carrying amounts of the Group's financial assets are assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The impairment loss is recognised in the income statement. If an impairment loss recognised in prior periods decreases as a result of an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed, with the amount of the reversal recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise current balances with banks, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Trade payables

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

Trade payables are recognised initially at fair value, which is usually the transaction price and subsequently measured at amortised cost using the effective interest method.

Tax

Income tax for the period comprises current tax and deferred tax. Tax is recognised in the income statement, except for tax attributable to an item of income or expense recognised as other comprehensive income, which is also recognised directly in other comprehensive income.

2 Accounting policies (continued)

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the date of these financial statements.

Deferred tax is recognised in respect of all temporary differences identified at the reporting date. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax liabilities are offset against deferred tax assets. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits in the foreseeable future, against which the deductible temporary difference can be utilised.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantively enacted by the date of the financial statements. Measurement of deferred tax liabilities and assets reflects the tax consequences expected from the manner in which the asset or liability is recovered or settled. Deferred tax is measured on a non-discounted basis.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received.

Dividends
Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Recoverability of amounts owed by related party undertakings
The recoverability of the amounts owed by related party undertakings are assessed at each reporting date in accordance with the accounting policy for financial assets as described in note 2. The Company makes judgements in considering whether the carrying amounts of these assets are recoverable.

4 Losses of parent company

A loss of £13,000 (2017: loss of £14,000) is dealt with in the financial statements of Celtic Array Limited. The loss on ordinary activities before taxation was £13,000 (2017: loss of £14,000).

The Directors have taken advantage of the exemption available under section 408 of the Companies Act 2006 and have not presented an income statement for the Company alone.

5 Administrative expenses

	2018 £ 000	2017 £ 000
Other operating expenses	(13)	(14)

Notes to the consolidated financial statements for the year ended 31 December 2018 (continued)

6 Employee information

The Group and the Company had no employees and no staff costs (2017: £nil).

7 Directors' remuneration

The aggregate emoluments paid to Directors in respect of their qualifying services is £nil (2017: £nil). The Company is a jointly controlled entity and the Directors are nominated by the joint venture partners. Accordingly no emoluments are paid for their services to the Company.

8 Auditors' remuneration

Auditors' remuneration was £9,000 (2017: £8,000) and relates to fees for the audit of the statutory financial statements of the Company and the consolidated financial statements.

9 Income tax

Tax (credited) / charged in the income statement:

	2018 £ 000	2017 £ 000
Income tax	-	-

The tax assessed for the financial year differs (2017: differs) from that calculated at the standard rate of corporation tax in the UK of 19% (2017: 19.25%). The differences are reconciled below:

	2018 £ 000	2017 £ 000
Loss on ordinary activities before income tax	(13)	(14)
Loss multiplied by the standard rate of tax in the UK	(3)	(3)
Amounts not recognised	3	3
Total tax charge/(credit)	-	-

The main rate of corporation tax for the year to 31 December 2018 was 19.00% (2017: 19.25%). The corporation tax rate will reduce to 17% with effect from 1 April 2020. The deferred tax assets and liabilities included in these financial statements are based on tax rates having regard to their reversal profiles.

10 Investments in subsidiaries

Company	Investment in subsidiary £
Cost and Net book value	
At 31 December 2018	1
At 31 December 2017	1

The investment in subsidiary represents a 100% interest in the ordinary share capital of the dormant subsidiary Rhiannon Wind Farm Limited, a company registered in England & Wales.

The registered office of Rhiannon Wind Farm Limited is Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.

11 Trade and other receivables

	Group 2018 £ 000	Group 2017 £ 000	Company 2018 £ 000	Company 2017 £ 000
Financial assets:				
Amounts owed by related party undertakings	11,838	11,838	11,838	11,838
Total trade and other receivables	11,838	11,838	11,838	11,838

Amounts owed by related party undertakings relate to consideration for the surrender of tax losses. These receivables are repayable on demand, non-interest bearing and are unsecured.

The fair value of those trade and other receivables classified as financial instrument loans and receivables are disclosed in note 16 'Fair value of financial instruments held at amortised cost'.

The Group's exposure to credit risk relating to trade and other receivables is disclosed in note 17 'Financial risk management and impairment of financial assets'. There have been no impairments to trade and other receivables and no allowances for credit losses are required.

12 Cash and cash equivalents

	Group 2018 £ 000	Group 2017 £ 000	Company 2018 £ 000	Company 2017 £ 000
Cash at bank	224	239	224	239

The Group's exposure to credit risk relating to cash and cash equivalents is disclosed in note 17 'Financial risk management and impairment of financial assets'.

13 Trade and other payables

	Group 2018 £ 000	Group 2017 £ 000	Company 2018 £ 000	Company 2017 £ 000
Amounts owed to related party undertakings	3	5	3	5
Accrued expenses	10	10	10	10
	13	15	13	15

The fair value of the trade and other payables classified as financial instruments are disclosed in note 16 'Fair value of financial instruments held at amortised cost'.

The Group's exposure to liquidity risk, including maturity analysis, related to trade and other payables is disclosed in note 17 'Financial risk management and impairment of financial assets'.

14 Share capital

Group and Company - Allotted and fully paid shares

	31 December 2018 No. 000	31 December 2018 £ 000	31 December 2017 No. 000	31 December 2017 £ 000
Ordinary shares of £1 each	58,969	58,969	58,969	58,969

15 Reserves

Accumulated losses

The balance classified as accumulated losses includes the profits and losses realised in previous years. No distributions from reserves have been made to the shareholders of the Company at the reporting date.

16 Fair value of financial instruments held at amortised cost

The Group's financial assets and liabilities measured at amortised cost comprise trade and other receivables, cash and cash equivalents and trade and other payables. Due to their nature and / or short-term maturity, the fair values of financial assets and liabilities measured at amortised cost are estimated to approximate their carrying values.

17 Financial risk management and impairment of financial assets

The Group is exposed to credit risk and liquidity risk by virtue of the assets and liabilities held. The Group's current limited activities mean that it does not have material exposure to market risk. The Group's overall financial risk management approach aims to identify, manage and mitigate these risks.

17 Financial risk management and impairment of financial assets (continued)

Credit risk and impairment
Credit risk is the risk of loss associated with a counterparty's inability or failure to discharge its obligations under a contract.

The Group is exposed to credit risk due to its receivable balances from related parties and on the balance held with its bank. Counterparty credit exposures are monitored by individual counterparty and by credit rating.

There have been no material changes in the management of risk in the year or in the level of exposure to counterparties below an investment grade credit rating.

Loans and receivables credit risk exposure

	2018 £ 000	2017 £ 000
Rating AAA to BBB-	11,838	11,838

Cash and cash equivalents credit risk exposure

	2018 £ 000	2017 £ 000
Rating AAA to BBB-	224	239

Concentrations of credit risk
The Group has amounts receivable from companies that are members of groups controlled by its ultimate parent undertakings.

The Group's cash and cash equivalents are all held with a single financial institution.

Past due and impaired financial assets
No financial assets are past due at 31 December 2018 (2017: £nil) and no allowances have been made for impairment by credit losses (2017: £nil).

Liquidity risk
Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due.

To mitigate this risk the Group utilises available bank deposits and, as and when required, would recover balances due from related parties.

Maturity analysis

31 December 2018	Within 1 year £ 000	Total £ 000
Trade and other payables	(13)	(13)

31 December 2017	Within 1 year £ 000	Total £ 000
Trade and other payables	(15)	(15)

17 Financial risk management and impairment of financial assets (continued)

Capital risk management

Capital components

The Group considers Capital to comprise share capital, accumulated losses and cash and cash equivalents.

	2018 £ 000	2017 £ 000
Total capital		
Share capital (note 14)	(58,969)	(58,969)
Accumulated losses	46,920	46,907
Cash and cash equivalents (note 12)	224	239
	(11,825)	(11,823)

Capital management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders.

The Group monitors its current and projected capital position through cash flow forecasts and takes actions, as required, to ensure the recovery of value from its assets.

18 Related party transactions

As the subsidiary of the Group is wholly owned by Celtic Array Limited, the Group is taking advantage of the exemptions within IAS 24 Related Party Disclosures from disclosure of transactions with other Group companies. The Group has entered into transactions with related parties who are not members of the Group.

Centrica Business Solutions Management Limited (formerly Centrica Renewable Energy Limited) and Ørsted Wind Power Holding A/S are considered to be related parties as they are the Company's immediate parent undertakings.

Ørsted A/S, Ørsted Power (UK) Limited, Ørsted Burbo (UK) Limited, Centrica plc and British Gas Trading Limited are considered to be related parties as they are members of groups that are considered to be the ultimate controlling parties of the Company.

Amounts receivable from related parties at year-end

The amounts receivable at year-end were: Ørsted Power (UK) Limited £2,785,000 (2017: £2,785,000); Ørsted Burbo (UK) Limited £3,134,000 (2017: £3,134,000); and British Gas Trading Limited £5,919,000 (2017: £5,919,000).

18 Related party transactions (continued)

Expenditure with and payables to related parties

2018	**Centrica Business Solutions Management Limited £ 000**
Management and support services	(3)
Purchase transactions for the year	(3)
Amounts payable to related party at year-end	(3)

2017	**Centrica Business Solutions Management Limited £ 000**
Management and support services	(4)
Purchase transactions for the year	(4)
Amounts payable to related party at year-end	(5)

19 Parent and ultimate parent undertaking

The Company's immediate parent undertakings are Centrica Business Solutions Management Limited (50%), a company registered in England and Wales, and Ørsted Wind Power Holding A/S (50%), a company registered in Denmark.

The Company's ultimate parent companies are Centrica plc, a company registered in England and Wales, and Ørsted A/S, a company registered in Denmark.

Copies of the Centrica plc consolidated financial statements may be obtained from www.centrica.com. Copies of the Ørsted A/S consolidated financial statements may be obtained from the Company Secretary at Ørsted A/S, Kraftværksvej 53, Skærbæk, 7000 Fredericia, Denmark.