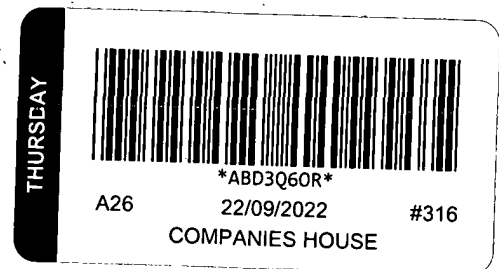


Field Auchteraw Ltd

(formerly Auchteraw Energy Storage Limited)

Registered number: SC621663

Annual Report and financial statements
For the period ended 31 March 2022



Field Auchteraw Ltd

Company information

Directors	A Gudka C J Wickins
Registered number	SC621663
Registered office	9 th Floor 41 West Campbell Street Glasgow G2 6SE
Auditor	KPMG LLP 66 Queen Square Bristol BS1 4BE

Field Auchteraw Ltd

Contents

	Page
Directors' report	1
Statement of directors' responsibilities	3
Independent auditor's report to the members of Field Auchteraw Ltd	4
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11

Field Auchteraw Ltd

Directors' report

The directors present their report and the financial statements for the period ended 31 March 2022.

Principal activities

The principal intended activities of the Company are the ownership and operation of energy storage assets. At the time of this report, the assets are under construction and the Company is pre-trading.

During the period, the Company changed its name from Auchteraw Energy Storage Limited to Field Auchteraw Ltd.

During the period, the accounting reference date was changed from 28 February to 31 March.

Results and dividends

The loss for the year, after taxation, amounted to £10,000 (2021: £nil).

No dividend was declared during the current year (2021: £nil).

Directors

The directors who served during the year ended 31 March 2022 and to the date of the report were:

M T Wilson (resigned 29 October 2021)

A Gudka (appointed 29 October 2021)

C J Wickins (appointed 14 July 2022)

Principal risks and uncertainties

The management of the Company and execution of its strategy are subject to a number of risks and uncertainties. The principal risks and uncertainties facing the business include currency risk, financial risk, supply chain risk, construction risk, and political and regulatory risk.

Currency

The Group is exposed to currency risks in the supply chain, as our battery storage systems are manufactured overseas and the contracts are denominated in US dollars. As the Group expands into other geographies, there will be further exposure to exchange rate risk when consolidating foreign denominated entities into the Group structure. The Group has a hedging policy in place to mitigate the impact of currency risk.

Financial

The Group's operations are capital intensive, and its activities expose the group to credit, cash flow and liquidity risk. The Group mitigates these risks by continuously monitoring forecasted and actual cash flows and maintaining sufficient cash reserves to meet its obligations through equity and loan financing. The Group's main exposure to credit risk is its cash balances with banks; the risk is mitigated through using banks with good credit ratings.

Supply chain

Battery systems are manufactured overseas and are impacted by the wider supply chain pressures. Commodity price inflation for materials such as lithium, has increased the price of battery systems and higher shipping costs has made delivery more expensive. Despite this the commercial rationale for grid battery storage is still strong.

Field Auchteraw Ltd

Directors' report

Construction

Technical issues may arise on plant and equipment during construction. In addition, due to the Group constructing battery storage projects, risks related to the environment and weather are also applicable. These risks combined with potential contractor availability constraints could cause delays in the project timetable, business interruption or additional costs. To mitigate these risks, regular reviews are undertaken to ensure that the construction team and its third-party service providers are appropriately managing the project output.

Health and safety

Given the nature of the Group's business, the health and safety of all employees and contractors is a key risk. The Company is committed to creating a culture where safety is one of the highest priorities. By acting as the Client on all projects, it carries out a due diligence process on all contractors throughout a stringent tender qualification process. All designers are required to follow the hierarchy of control to mitigate risk to as low as reasonably practicable, and in line with industry best practice. The Group provides training to all employees as appropriate to their role. A risk register is maintained for all projects, which is regularly reviewed and updated as part of the Group's wider risk management procedure.

Political and regulatory

The changing political and regulatory landscape is a key risk to our business. There is ongoing uncertainty around the impact of the current energy crisis, the war in Ukraine, and the appointment of a new Prime Minister. Battery storage assets play a key role in providing energy security and the transition to net zero. Potential regulatory changes are expected to continue to support the build out of battery storage assets.

Impact of Covid-19

The Group was first incorporated in December 2020 when the impact of Covid-19 was already being felt. Interruptions and delays to the supply chain were starting to recover at this time, so minimal disruption was suffered by the business. Due to the government guidelines in place, all Group employees were initially remote-based until July 2021.

Post balance sheet events

In April 2022, the Company made a grid connection payment of £557,279 to Scottish & Southern Electricity Networks, representing an addition to the assets under construction asset group.

Directors' insurance and indemnities

The Company does not have any qualifying indemnity provisions in place at any time during the financial year.

Political contributions

Neither the Company nor any of its subsidiaries made any political donations or incurred any political expenditure during the period.

Field Auchteraw Ltd

Directors' report

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing 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 FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement as to disclosure of information to auditor

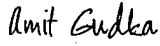
In the case of each of the persons who are directors at the time the report is approved:

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

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

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

DocuSigned by:

B2ADC26C0978481...
A Gudka
Director
Date: • 22.09.2022

Second Home
68 Hanbury Street
London
E1 5JL

Field Auchteraw Ltd

Independent auditor's report to the members of Field Auchteraw Ltd

Opinion

We have audited the financial statements of Field Auchteraw Ltd ("the Company") for the period ended 31 March 2022 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Field Auchteraw Ltd

Independent auditor's report to the members of Field Auchteraw Ltd

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and management as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries such as journal entries in relation to cash. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company is in an asset-development stage so no revenue has been recognised.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual accounts with the other side of the entry impacting cash or borrowings, and those journals posted prior to the employment of additional members of the finance team with the other side of the entry impacting cash.
- Evaluating material post-close journal entries.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Field Auchteraw Ltd

Independent auditor's report to the members of Field Auchteraw Ltd

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law and regulations for the safe disposal of batteries recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Field Auchteraw Ltd

Independent auditor's report to the members of Field Auchteraw Ltd

Other matter – prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

Directors' responsibilities

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

Auditor's responsibilities

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

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

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

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



James Ledward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE
22 September 2022

Field Auchteraw Ltd**Statement of profit and loss and other comprehensive income
for the period ended 31 March 2022**

Continuing operations		Period ended 31 March 2022	Year ended 28 February 2021 (unaudited)
	Note	£	£
Revenue		-	-
Cost of Sales		-	-
Gross profit		-	-
Administrative expenses		(10,000)	-
Operating loss	4	(10,000)	-
Finance expenses		-	-
Loss before taxation		(10,000)	-
Tax	6	-	-
Loss for the year		(10,000)	-
Other comprehensive income		-	-
Total comprehensive loss for the period		(10,000)	-

The notes on pages 11 to 21 form part of these financial statements

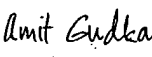
Field Auchteraw Ltd

Registered number: SC621663

**Statement of financial position
as at 31 March 2022**

	Note	31 March 2022 £	28 February 2021 (unaudited) £
ASSETS			
Non-current assets			
Property, plant and equipment	7	167,357	-
Right-of-use assets		-	-
		<u>167,357</u>	<u>-</u>
Current assets			
Trade and other receivables	8	429,290	1
Cash and cash equivalents		668,735	-
		<u>1,098,025</u>	<u>1</u>
Creditors – amounts falling due within one year	9	(1,275,381)	-
Net current (liabilities) / assets		<u>(177,356)</u>	<u>1</u>
Total assets less current liabilities		<u>(9,999)</u>	<u>1</u>
Net (liabilities) / assets		<u>(9,999)</u>	<u>1</u>
Equity			
Share capital	10	1	1
Retained earnings		(10,000)	-
Shareholders' deficit		<u>(9,999)</u>	<u>1</u>

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

DocuSigned by:

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A Gudka
Director
 Date: 22.09.2022

Registered Number: SC621663

The notes on pages 11 to 21 form part of these financial statements

Field Auchteraw Ltd

Statement of changes in equity for the period ended 31 March 2022

	Share capital	Retained earnings	Total equity
	£	£	£
As at 28 February 2020 (unaudited)	1	-	1
Loss for the year	-	-	-
Total comprehensive loss for the year	-	-	-
As at 28 February 2021 (unaudited)	1	-	1
Loss for the period	-	(10,000)	(10,000)
Total comprehensive loss for the period	-	(10,000)	(10,000)
As at 31 March 2022	1	(10,000)	(9,999)

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

1. General information

These financial statements reflect the financial performance and position of Field Auchteraw Ltd (the "Company") which is a wholly owned subsidiary of Virmati Energy Ltd ("Field Group").

The Company is a private company limited by shares, incorporated, domiciled and registered in the United Kingdom under the Companies Act 2006. The nature of its operations and its principal activity are set out in the Director's Report.

2. Accounting policies

a) Statement of compliance

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRS"), but makes amendments where necessary in order to comply with Companies Act 2006.

FRS 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 paragraph 38 of IAS 1 to present comparative information in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73(e) of IAS 16 *Property, Plant and Equipment*;
- 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 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*; and
- 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 Company is a wholly owned subsidiary of Virmati Energy Ltd, its ultimate parent company. It is included in the consolidated financial statements of Virmati Energy Ltd which are publicly available. The address of the ultimate parent's registered office is Second Home, 68 Hanbury Street, London, E1 5JL.

b) First-time adoption of IFRS

The financial statements for the year ended 28 February 2021 were prepared in accordance with FRS 102 *the Financial Reporting Standard applicable in the UK and the Republic of Ireland* ("FRS 102").

In preparing these financial statements, the Company's opening statement of financial position was prepared as at 1 March 2020, the Company's transition date to IFRS. There were no adjustments to equity at 1 March 2020 or profit or loss for the year ended 28 February 2021.

IFRS 1 *First-Time Adoption of IFRS* grants certain exemptions from the full requirements of IFRS in the transition period. No such exemptions have been applied in these financial statements.

The notes on pages 11 to 21 form part of these financial statements

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

2. Accounting policies (continued)

c) Basis of preparation

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

The financial statements have been prepared on the historical cost basis and in accordance with the Companies Act 2006.

The financial statements have been presented in Pounds Sterling ("Sterling"). This is the functional currency of the Company being the currency of the primary economic environment in which the Company operates.

d) Going concern

Notwithstanding net current liabilities of £177,356 as at 31 March 2022 and a loss for the year then ended of £10,000 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its ultimate parent company, Virmati Energy Ltd, to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Virmati Energy Ltd not seeking repayment of the amounts currently due to the group, which at 31 March 2022 amounted to £1,265,381, and providing additional financial support during that period. Virmati Energy Ltd has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

e) Application of new and revised International Financial Reporting Standards (IFRSs)

The adoption of new and revised IFRSs has not had any material impact on the amounts reported in these financial statements.

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

2. Accounting policies (continued)

f) Foreign currencies

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 and loss.

g) Interest income and expenses

Interest income and expenses is recognised in profit or loss using the effective interest method.

h) Borrowing costs

Borrowing costs are generally recognised as an expense when incurred. Interest expenses directly attributable to the acquisition or construction of an asset that takes a substantial period of time to get ready for use are capitalised as part of the cost of the assets being created.

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

2. Accounting policies (continued)

i) Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised directly in equity.

Current tax

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 tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are set off only where the Company has a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

2. Accounting policies (continued)

j) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the items and to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Costs include site preparation, battery energy storage system (BESS), grid connection, civil engineering, cabling, professional fees, direct labour and the cost of materials.

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.

Assets under construction are not depreciated until they are ready for use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

k) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value using a pre-tax discount rate.

l) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimation of the considerations required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation.

A provision is made for the net present value of the estimated future decommissioning costs at the end of the operating life of the battery storage asset. A provision is recognised when there is a legal obligation to decommission. This is usually when the asset has reached a stage when decommissioning of the constructed plant would incur material costs. The provision is calculated using estimated costs of decommissioning, and these estimates have been arrived at by consideration of the expected costs of contracts to remove the installed plant. A corresponding asset is recognised and included within the battery storage assets and depreciated over the life of the asset. The estimated future cost of decommissioning obligations are regularly reviewed and adjusted as appropriate for new circumstances or changes in law or technology.

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

2. Accounting policies (continued)

m) Financial assets

Financial assets

Financial assets comprise other receivables and cash and cash equivalents.

Other receivables are initially measured at transaction price, and subsequently at their amortised cost subject to any impairment in accordance with IFRS 9.

Impairment

Under IFRS 9, the company assesses on a forward-looking basis the expected credit losses ("ECL") associated with the assets carried at amortised cost and recognises a loss allowance for such losses at each reporting date.

Impairment provisions are driven by changes in credit risk of loans and securities, with a provision for expected credit losses recognised where the risk of default of an instrument has increased significantly. All risk of default and expected credit losses calculations incorporate forward looking and macroeconomic information.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired.

n) Financial liabilities

Financial liabilities

Financial liabilities comprise trade and other payables and borrowings. Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs.

Derecognition

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

2. Accounting policies (continued)

o) Reserves

Called up share capital

Share capital represents the nominal value of shares that have been issued.

Retained earnings

Retained earnings represent accumulated profits and losses to date.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In the process of applying the Company's accounting policies, management has not been required to make judgements or estimates which have a material impact on the financial statements.

4. Operating loss

Operating loss for the period / year has been arrived at after charging:

	31 March 2022	28 February 2021 (unaudited)
	£	£
Audit fees payable to the Company's auditor	10,000	-

During the period, £11,192 of borrowing costs was capitalised as part of the cost of property, plant and equipment (year ended 28 February 2021: £nil).

5. Staff costs

The Company had no employees during the period (year ended 28 February 2021: nil) except for the directors.

The directors did not receive remuneration during the year in respect of services provided to this Company (year ended 28 February 2021: £nil).

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

6. Taxation

	Period ended 31 March 2022	Year ended 28 February 2021 (unaudited)
	£	£
Current tax		
UK current tax on loss for the period / year	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on loss on ordinary activities	-	-

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

6. Taxation (continued)

The loss for the period / year can be reconciled to the total tax as follows:

	Period ended 31 March 2022	Year ended 28 February 2021 (unaudited)
	£	£
Loss on ordinary activities before tax	(10,000)	-
Profit multiplied by the standard tax rate in the UK of 19% (2021: 19%)	(1,900)	-
Effects of:		
Deferred tax not recognised	1,900	-
Tax charge/(credit)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges:

Corporation tax is calculated at 19 per cent (2021: 19 per cent) of the estimated taxable profit for the year.

The Finance Act 2016 included legislation to reduce the main rate of UK corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. The rate reduction to 17% was subsequently reversed by the Finance Act 2020, such that the main rate of UK corporation tax from 1 April 2020 remains at 19%. The Finance Act 2020 was substantively enacted by the balance sheet date and therefore included in these Financial Statements. Temporary differences have been remeasured using the enacted tax rates that are expected to apply when the liability is settled or the asset realised.

On 3 March 2021, the Chancellor of the Exchequer announced in the Budget that the main rate of UK Corporation Tax for large companies (being those with profits in excess of £250,000) will rise from 19% to 25% with effect from 1 April 2023, the 19% rate will continue to apply for companies with profits of not more than £50,000 and marginal relief will be applicable for companies earning profits between £50,000 and £250,000. This change was substantively enacted on 24 May 2021 and as such any timing differences expected to reverse on or after 1 April 2023 have been measured by the Company at a rate of 25%.

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

7. Property, plant and equipment

	Assets under construction £	Total £
Cost		
At 28 February 2021 (Unaudited)	-	-
Additions	167,357	167,357
At 31 March 2022	167,357	167,357
Depreciation		
At 28 February 2021 (Unaudited)	-	-
At 31 March 2022		
Net book value		
At 28 February 2021 (Unaudited)	-	-
At 31 March 2022	167,357	167,357

The amount of borrowing costs capitalised during the period was £11,192 with a capitalisation rate of 7.2%.

8. Trade and other receivables

	31 March 2022 £	28 February 2021 (unaudited) £
Amounts falling due within one year:		
Prepayments	429,289	-
Other receivables	1	1
	429,290	1

9. Creditors

	31 March 2022 £	28 February 2021 (unaudited) £
Amounts falling due within one year:		
Amounts owed to fellow group undertakings	1,265,381	-
Accruals	10,000	-
	1,275,381	-

Amounts owed to fellow group undertakings refer to an intercompany loan from Virmati Energy Ltd. This loan attracts interest at a rate of 7.2% and is repayable on demand.

The notes on pages 11 to 21 form part of these financial statements

Field Auchteraw Ltd

Notes to the financial statements for the period ended 31 March 2022

10. Share Capital

	31 March 2022	28 February 2021 (unaudited)
	£	£
Allotted, called up and fully paid		
1 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

11. Related party transactions

Transactions with other companies within the Field Group are not disclosed as the Company has taken advantage of the exemption from the requirement in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group. The consolidated financial statements of the Field Group are available at the address noted below. All parties involved were wholly owned by a member of the Field Group. There were no other material related party transactions.

12. Ultimate Parent and Controlling party

The immediate and ultimate parent undertaking and ultimate controlling party is Virmati Energy Ltd, a company incorporated in the United Kingdom, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Virmati Energy Ltd's consolidated financial statements can be obtained from Second Home, 68 Hanbury Street, London, E1 5JL.

13. Events occurring after the reporting period

In April 2022, the Company made a grid connection payment of £557,279 to Scottish & Southern Electricity Networks, representing an addition to the assets under construction asset group.