

REGISTERED NUMBER: 08694630 (England and Wales)

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
PS MANOR FARM SOLAR LIMITED



CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Page
Company Information	1
Report of the Directors	2
Statement of Profit or Loss	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Statement of Cash Flows	9
Notes to the Financial Statements	10

PS MANOR FARM SOLAR LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors:

Pinecroft Corporate Services Limited
G E Shaw

Registered office:

C/O Foresight Group
The Shard
32 London Bridge Street
London
SE1 9SG

Registered number:

08694630 (England and Wales)

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

Principal activity

The principal activity of the company in the year under review was that of the development and generation of electricity using solar technology on a solar farm located in Pertenhall, Bedford.

Directors

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Pinecroft Corporate Services Limited
G E Shaw

Going concern

The Directors have a reasonable expectation that the company has adequate resources to be in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts. The directors do not expect COVID-19 to have any material impact on the going concern of the company.

Small company exemption

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

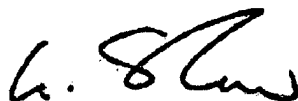
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:



.....
G E Shaw - Director

Date: 21/09/2022

PS MANOR FARM SOLAR LIMITED (REGISTERED NUMBER: 08694630)

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 £
Continuing operations			
Revenue	4	1,967,589	1,496,815
Cost of sales		(188,586)	(148,333)
Gross profit		1,779,003	1,348,482
Administrative expenses		(810,339)	(816,268)
Operating profit		968,664	532,214
Finance costs	6	(1,344,667)	(1,332,293)
Loss before tax	7	(376,003)	(800,079)
Tax	8	96,479	-
Loss for the year		(279,524)	(800,079)

The notes form part of these financial statements

PS MANOR FARM SOLAR LIMITED (REGISTERED NUMBER: 08694630)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	31.12.21 £	31.12.20 £
Loss for the year	(279,524)	(800,079)
Other comprehensive income	-	-
Total comprehensive loss for the year	<u>(279,524)</u>	<u>(800,079)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	31.12.21 £	31.12.20 £
Assets			
Non-current assets			
Owned			
Property, plant and equipment	9	11,920,861	12,553,597
Right-of-use			
Property, plant and equipment	9, 16	1,305,647	1,330,606
		<u>13,226,508</u>	<u>13,884,203</u>
Current assets			
Trade and other receivables	10	457,989	257,537
Tax receivable		436,766	340,287
Cash and cash equivalents	11	146,235	112,813
		<u>1,040,990</u>	<u>710,637</u>
Total assets		<u><u>14,267,498</u></u>	<u><u>14,594,840</u></u>
Equity			
Shareholders' equity			
Called up share capital	12	302,821	302,821
Retained earnings	13	(3,665,953)	(3,386,429)
Total equity		<u>(3,363,132)</u>	<u>(3,083,608)</u>
Liabilities			
Non-current liabilities			
Trade and other payables	14	16,183,454	16,183,454
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	1,187,784	1,190,065
		<u>17,371,238</u>	<u>17,373,519</u>
Current liabilities			
Trade and other payables	14	217,605	266,063
Financial liabilities - borrowings			
Interest bearing loans and borrowings	15	41,787	38,866
		<u>259,392</u>	<u>304,929</u>
Total liabilities		<u>17,630,630</u>	<u>17,678,448</u>
Total equity and liabilities		<u><u>14,267,498</u></u>	<u><u>14,594,840</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

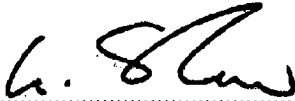
- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2021

- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 21/09/2022 and were signed on its behalf by:



.....
G E Shaw - Director

PS MANOR FARM SOLAR LIMITED (REGISTERED NUMBER: 08694630)

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	302,821	(2,586,350)	(2,283,529)
Changes in equity			
Total comprehensive loss	-	(800,079)	(800,079)
Balance at 31 December 2020	302,821	(3,386,429)	(3,083,608)
Changes in equity			
Total comprehensive loss	-	(279,524)	(279,524)
Balance at 31 December 2021	302,821	(3,665,953)	(3,363,132)

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

		31.12.21	31.12.20
		£	£
Cash flows from operating activities			
Cash generated from operations	1	1,419,267	1,229,185
Net cash from operating activities		<u>1,419,267</u>	<u>1,229,185</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(1,660)</u>	<u>-</u>
Net cash from investing activities		<u>(1,660)</u>	<u>-</u>
Cash flows from financing activities			
Payment of lease liabilities		(39,518)	(24,364)
Interest paid		<u>(1,344,667)</u>	<u>(1,332,293)</u>
Net cash from financing activities		<u>(1,384,185)</u>	<u>(1,356,657)</u>
Increase/(decrease) in cash and cash equivalents		<u>33,422</u>	<u>(127,472)</u>
Cash and cash equivalents at beginning of year	2	112,813	240,285
Cash and cash equivalents at end of year	2	<u><u>146,235</u></u>	<u><u>112,813</u></u>

The notes form part of these financial statements

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Reconciliation of loss before tax to cash generated from operations

	31.12.21	31.12.20
	£	£
Loss before tax	(376,003)	(800,079)
Depreciation charges	699,512	709,321
Lease asset/liability remeasurement	-	(25,205)
Finance costs	1,344,667	1,332,293
	<hr/>	<hr/>
	1,668,176	1,216,330
(Increase)/decrease in trade and other receivables	(47,983)	591,470
Decrease in trade and other payables	(200,926)	(578,615)
	<hr/>	<hr/>
Cash generated from operations	1,419,267	1,229,185

2. Cash and cash equivalents

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	146,235	112,813

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	112,813	240,285

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

1. General information

PS Manor Farm Solar Limited is a company incorporated and domiciled in the United Kingdom. The address of the registered office is Foresight Group LLP, The Shard, London Bridge Street, London, SE1 9SG.

During the period the company's activity is the development and generation of electricity using solar technology on a solar park in Bedford, England.

2. Statutory information

Ps Manor Farm Solar Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. Accounting policies

Basis of preparation

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are presented in sterling which is the functional and presentational currency.

Measurement convention

The financial statements have been prepared under the historical cost convention.

New standards effective for these financial statements

The following amendments to accounting standards became effective for periods beginning on or after 1st January 2021.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - interest rate benchmark reform phase 2.
- COVID-19 - Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

The adoption of these standards has had no material impact on the company's financial statements.

New standards not yet effective

- Classification of Liabilities as Current or Non-current - Amendments to IAS 1 (effective 1 January 2023).
- Amendments to: IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets (effective 1 January 2022); and
- Annual Improvements to IFRSs (2018-2020 Cycle): IFRS 1; IFRS 9; Illustrative Examples Accompanying IFRS 16; and IAS 41 (effective 1 January 2022). The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").
- Amendments to: IFRS 17 Insurance Contracts, IAS 12 Income Taxes (Deferred tax related to Assets and Liabilities arising from a single transaction) and IAS 8 Accounting Policies, Changes in Accounting Estimates (Effective 1 January 2023)

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

3. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The most critical accounting policies and estimates in determining the financial position and results of the company are those requiring a greater degree of subjective or complete judgement.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

Revenue comprises amounts received and receivable in respect of generated electricity and Renewable Obligation Certificates (ROCs). Revenue in respect of both energy generation and ROCs is recognised over time. Under the terms of its Power Purchase Agreements (PPA) with customers, ROCs are immediately transferable to the customer.

Revenue from PPAs with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. Revenue on the generation of energy is recognised based upon the value of units supplied during the year at the price under the PPA, with the number of units determined by energy volumes recorded on the solar farm meters and market settlement systems. The company has concluded that it is the principal in its revenue arrangements because it typically controls the goods before they are transferred to the PPA counterparty. All revenue recognised in the year related to performance obligations satisfied in the year. There are no significant judgements taken in respect of the recognition of revenues.

While the performance obligation is satisfied as the electricity is generated, payment is generally due within 14 days from supply of energy or transfer of the ROCs, with the related amount recognised as a trade debtor or accrued income until payment is received from the customer.

The company has no material contract assets or liabilities other than trade debtors and accrued income as disclosed in the notes.

There is only one operating activity and all revenue is generated within the United Kingdom.

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

3. Accounting policies - continued

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs are expensed as incurred as they do not meet the capitalisation criteria under IAS 23, as the construction of the related assets does not require a substantial period of time. Items of property, plant and equipment are depreciated to their estimated residual values on a straight line basis over their expected useful lives as follows:

Solar Photovoltaic (PV) assets - over 25 years - 4% straight line

Right to use finance lease Solar Photovoltaic (PV) assets - over 19 years - 5.3% straight line

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking account technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in the income statement.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Impairment of non-financial assets

Carrying value of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

A previously recognised impairment will be revised insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

Financial instruments

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, accounts payable and other financial liabilities.

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

3. Accounting policies - continued

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All normal purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell the financial assets.

De-recognition of financial assets and liabilities

A financial asset, or adoption of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The company retains the right to receive the cash flow from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement, or
- The company has transferred the rights to receive cash flows from the asset and either:
 - (i) has transferred substantially all the risks and rewards of ownership of the asset or
 - (ii) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

Trade and other receivables

Trade and other receivables reflected on the balance sheet are net of an allowance for uncollectible amounts.

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

3. Accounting policies - continued

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). Financial liabilities are measured at amortised cost or FVTPL.

The classification of financial assets is based on the way a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at amortised cost if both of the following conditions are met and the financial asset or liability is not designated as at FVTPL:

- the financial asset is held with the objective of collecting or remitting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held with the objectives of collecting contractual cash flows and selling the financial asset; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, amounts due from related companies, trade payables and interest-bearing borrowings. Based on the way these financial instruments are managed and their contractual cash flow characteristics, all the Company's financial instruments are measured at amortised cost using the effective interest method. The amortised cost of financial assets is reduced by impairment losses as described below. Interest income, foreign exchange gains and losses, impairments and gains or losses on derecognition are recognised through the statement of comprehensive income.

Trade receivables and trade payables are held at their original invoiced value, as the interest that would be recognised from discounting future cash flows over the short credit period is not considered to be material. Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short term. Cash and cash equivalents do not include other financial assets.

Impairment losses against financial assets carried at amortised cost are recognised by reference to any expected credit losses against those assets.

The simplified approach for calculating impairment of financial assets has been used for trade receivables. Lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

Loans from related parties and certain other receivables meet the criteria to be classified at amortised cost because they are held in a 'hold to collect' business model and meet the 'solely payments of principal and interest' ("SPPI") test and uses the general approach to calculate the expected credit loss. Under the general approach, at each reporting date, the company determines whether there has been a Significant Increase in Credit Risk (SICR) since initial recognition and whether the loan is credit impaired. If there has not been a SICR nor has the loan been credit impaired the company applies a 12-month credit loss alternatively the company applies a lifetime expected credit loss.

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

3. Accounting policies - continued

Lifetime expected credit loss are the losses that result from all possible default events over the expected life of the loan whereas 12-month expected credit loss are a portion of Lifetime expected credit loss that represent the credit loss that result from default events that are possible within 12 months of the reporting date.

Financial liabilities

Loans and accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any features meeting the definition of financial liability then such capital is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. It also includes any adjustments in relation to prior periods.

Provision is made at current rates for deferred tax in respect of all timing differences that have originated but not reversed at the period end. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Leases

Right-of-use assets are stated at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the Group's incremental borrowing rate at commencement of the lease, less accumulated depreciation. Depreciation is calculated to write off the value of an asset over the lease term.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

The lease liabilities associated with right-of-use assets are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the Group's incremental borrowing rate at commencement of the lease.

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

3. Accounting policies - continued

Equity

Equity comprises the following

- "Share capital" represents the nominal value of ordinary equity shares.
- "retained earnings" include all other net gains and losses and transactions with owners not recognised elsewhere less dividends paid.

Capital risk management

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

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The loan balances represent inter-company loans.

Going concern

The financial statements have been prepared on the going concern basis.

The directors of the company are satisfied after appropriate consultation with the directors of the group, review of the company's forecasts and projections, and taking into account of reasonably possible changes in trading performance and the current funds available, that the company is able to operate for at least twelve months from the signing of the Directors' Report and Financial Statements. For this reason, the directors believe that the company has adequate resources to continue in operational existence and therefore it is appropriate that the company continues to adopt the going concern basis in preparing the Directors' Report and Financial Statements.

4. Revenue

Revenue from contracts with customers

Revenue comprises:

	<u>31.12.21</u>	<u>31.12.20</u>
	£	£
PPA	1,145,110	571,665
ROCS	822,479	900,589
Other		<u>24,561</u>
	<u>1,967,589</u>	<u>1,496,815</u>

5. Employees and directors

The average number of employees, excluding directors, during the year was nil (2019 : nil)

6. Net finance costs

	<u>31.12.21</u>	<u>31.12.20</u>
	£	£
Finance costs:		
Shareholder loan interest	1,294,676	1,294,676
Lease interest	49,991	37,617
	<u>1,344,667</u>	<u>1,332,293</u>

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

7. Loss before tax

The loss before income tax is stated after charging:

	31.12.21	31.12.20
	£	£
Depreciation - owned assets	634,395	636,106
Depreciation - assets on finance leases	65,117	73,215
Lease Expense	49,991	44,471
Foreign Exchange Difference	-	-
	<u> </u>	<u> </u>

8. Tax

Analysis of tax income

	31.12.21	31.12.20
	£	£
Current tax:		
Tax	(96,479)	-
	<u> </u>	<u> </u>
Total tax income in statement of profit or loss	(96,479)	-
	<u> </u>	<u> </u>

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

8. Tax - continued

Factors Affecting Total Tax Charge for the Current Period

The charge for the year can be reconciled to the profit per the statements as follows:

	<u>31.12.21</u>	<u>31.12.20</u>
	£	£
Loss for the period - continuing activities	(376,003)	(800,079)
Tax on loss at standard UK tax rate of 19.00% (2018: 19.00%)	(71,441)	(152,015)
Effects of:		
Expenses not deductible	7,041	7,090
Effects of group relief/ other reliefs	170,784	-
Amounts not recognised	(202,863)	144,925
Tax credit for the period	(96,479)	-
Corporation tax expense reported in the SPL	<u>(96,479)</u>	<u>-</u>

NOTE TO THE ACCOUNTS - BALANCE SHEET AMOUNTS

Current (assets):

Group relief debtor	(436,766)	(340,287)
	<u>(436,766)</u>	<u>(340,287)</u>
	<u>Booked</u>	<u>Booked</u>
	<u>31.12.21</u>	<u>31.12.20</u>

Deferred tax (assets) / liabilities:

Adjustment in respect of prior years	181,871	-
Deferred tax charge to I/S for the period	(181,871)	-
Provision at end of period	<u>-</u>	<u>-</u>

Fixed assets	792,428	430,509
Losses	(792,428)	(430,509)

Unrecognised deferred tax:

Losses	(227,451)	(375,726)
	<u>(227,451)</u>	<u>(375,726)</u>

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

9. Property, plant and equipment

	Short leasehold £	Plant and machinery £	Totals £
Cost			
At 1 January 2021	1,456,687	15,859,191	17,315,878
Additions	40,158	1,660	41,818
At 31 December 2021	1,496,845	15,860,851	17,357,696
Depreciation			
At 1 January 2021	126,081	3,305,594	3,431,675
Charge for year	65,117	634,396	699,513
At 31 December 2021	191,198	3,939,990	4,131,188
Net book value			
At 31 December 2021	1,305,647	11,920,861	13,226,508
At 31 December 2020	1,330,606	12,553,597	13,884,203

10. Trade and other receivables

	31.12.21 £	31.12.20 £
Current:		
Trade debtors	-	12,817
Amounts owed by group undertakings	187,040	-
Other debtors	270,949	244,720
	457,989	257,537

Trade receivables are non-interest bearing and are generally on terms of 10 days. All trade receivables were either current or due within 90 days and no provision is made (2020 - £nil) based upon the historic experience of default with these customers.

11. Cash and cash equivalents

	31.12.21 £	31.12.20 £
Bank account	146,235	112,813

12. Called up share capital

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.21 £	31.12.20 £
302,821	Ordinary shares	£1.00	302,821	302,821

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

13. Reserves

	Retained earnings £
At 1 January 2021	(3,386,429)
Deficit for the year	(279,524)
At 31 December 2021	<u>(3,665,953)</u>

14. Trade and other payables

	31.12.21 £	31.12.20 £
Current:		
Trade creditors	62,276	48,221
Other creditors	2,860	126,595
VAT	152,469	91,247
	<u>217,605</u>	<u>266,063</u>
Non-current:		
Shareholder loan	<u>16,183,454</u>	<u>16,183,454</u>
Aggregate amounts	<u>16,401,059</u>	<u>16,449,517</u>

At the year end the company has a long term intercompany loan of £16,183,454 with interest payable at a rate of 8%.

There are no material differences between the fair value and the carrying value of the above liabilities. The present value of the cash flows is reassessed at the end of each reporting period at the prevailing interest rate.

The company's principal financial liabilities comprise trade and other payables and loans.

15. Financial liabilities - borrowings

	31.12.21 £	31.12.20 £
Current:		
Leases (see note 16)	<u>41,787</u>	<u>38,866</u>
Non-current:		
Leases (see note 16)	<u>1,187,784</u>	<u>1,190,065</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Leases	<u>41,787</u>	<u>43,484</u>	<u>141,333</u>	<u>1,002,967</u>	<u>1,229,571</u>

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

16. Leasing

Right-of-use assets

Property, plant and equipment

	31.12.21	31.12.20
	£	£
Cost		
At 1 January 2021	1,456,687	1,225,680
Additions	40,158	231,007
	<u>1,496,845</u>	<u>1,456,687</u>
Depreciation		
At 1 January 2021	126,081	52,867
Charge for year	65,117	73,214
	<u>191,198</u>	<u>126,081</u>
Net book value	<u><u>1,305,647</u></u>	<u><u>1,330,606</u></u>

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	£
Lease liability as at 1 January 2021	1,228,932
Interest on lease liability recognised in the statement of profit and loss	52,668
Lease reduction	(92,185)
Lease re-measurement adjustment due to rent review with RPI increase	40,158
Lease liability as at 31 December 2021	1,229,572

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

17. Financial instruments

Fair Value category

The financial assets and liabilities held by the company for both 31 December 2021 and the 31 December 2020 were categorised under loans and receivables.

Fair value measurement

The fair value of the financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 31.12.21 £	Carrying Amount 31.12.20 £	Fair Value 31.12.21 £	Fair Value 31.12.20 £
Financial assets:				
Trade and other receivables	445,006	244,494	445,006	244,494
Financial liabilities:				
Trade and other payables	17,478,104	17,587,200	17,478,104	17,587,200

The fair value of financial assets and liabilities is includes at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Trade receivables and trade payables approximate their carrying amounts largely due to the short-term maturities of the instruments.

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

18. Financial risk management

The company's principal financial assets and liabilities comprise trade receivables, cash, interest bearing loans and trade payables.

The company has exposure to the following risks from its use of financial instruments:

- Market risks, commodity price, interest rate, inflation rate risks
- Credit risk
- Liquidity risk
- Capital management risk

This note represents information about the company's exposure to each of the above risks and the company's objectives, policies and processes for assessing and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

a) Market risk

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

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

The company has limited exposure to interest rate risk. The company is fully funded by the parent company. The company does not intend to hold cash for the purpose of generating interest income. The company does not currently consider it necessary to actively manage interest rate risk

b) Credit risk

Company policies are aimed at minimising losses as a result of counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the company are considered by management to be of appropriate credit rating. At each balance sheet date, the company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date are the carrying value of the credit balances if any.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company monitors its risks of shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and obligations.

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

Period ended 31 December 2021

	On demand £	Less than 3 month £	3 to 12 months £	1 to 5 years £	>5 years £	Total £
Financial Liabilities						
Trade and other payables	62,275	2,860	-	-	-	65,135
Owing to group company	-	-	-	-	16,183,454	16,183,454
Lease liabilities	-	10,291	31,496	135,819	1,051,966	1,228,572
						<u>17,478,160</u>

Period ended 31 December 2020

	On demand £	Less than 3 month £	3 to 12 months £	1 to 5 years £	>5 years £	Total £
Financial Liabilities						
Trade and other payables	48,220	4,317	-	-	-	52,537
Owing to group company	-	122,277	-	-	16,183,454	16,305,731
Lease liabilities	-	9,572	29,294	126,326	1,063,740	1,228,932
						<u>17,587,201</u>

d) Capital management

Management considers capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The company's policy is to finance its operations through group borrowings. It is the company's policy not to hold financial instruments for speculative purposes.

19. Related party disclosure

At the period end the company owed a long-term loan of £16,183,454 to FS Manor Farm Limited, the parent company. Interest payable is calculated at a flat rate of 8% and amounted to £1,294,676 during the reported period.

During the period the cost of services provided by Foresight Group LLP amounted to £50,778 for asset management fees.

During the reported period the aggregate cost of services provided by Brighter Green Engineering Limited for the provision of operational and maintenance services amounted to £113,384 of which £54,237 was outstanding at the year end.

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

20. Ultimate controlling party

The company is a wholly owned subsidiary of FS Manor Farm Limited. Foresight Solar Fund Limited, incorporated in Jersey, is the ultimate parent company.