

Winchester Solar Limited

Report and Financial Statements

Year Ended

30 September 2022

Company Number 08865193

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Winchester Solar Limited

Report and Financial Statements for the year ended 30 September 2022

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Directors

W R Cann
P Lambert
M E Thistlethwayte

Registered office

20 Jewry Street, Winchester, Hampshire, SO23 8RZ

Company number

08865193

Auditor

Saffery Champness LLP, Midland House, 2 Poole Road, Bournemouth, Dorset, BH2 5QY

Winchester Solar Limited

Report of the Directors for the year ended 30 September 2022

The directors present their report together with the audited financial statements for the year ended 30 September 2022.

Directors

The directors of the company during the year were:

W R Cann
P Lambert
M E Thistlethwayte
D C Harbord (resigned 30 September 2022)

The Company maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Results

The statement of comprehensive income is set out on page 6 and shows the result for the year.

Financial risk management

The business operations may expose it to a variety of financial risks. These are disclosed further in note 3 of the financial statements.

Directors' responsibilities

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 period. Under that law the directors have elected to prepare the financial statements in accordance with the requirements of the Companies Act 2006 and 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;
- state whether they have been prepared in accordance with the Companies Act 2006 and UK-adopted international accounting standards;
- 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.

Winchester Solar Limited

Report of the Directors (continued) for the year ended 30 September 2022

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

Saffery Champness LLP have expressed their willingness to continue in office.

This report has been prepared in accordance with provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board

DocuSigned by:

B3FEC7DCB87147D...
P Lambert
Director

23 November 2022 | 16:58:42 GMT

Winchester Solar Limited

Independent Auditor's Report to the members of Winchester Solar Limited

Opinion

We have audited the financial statements of Winchester Solar Limited for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2022 and its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Winchester Solar Limited

Independent Auditor's Report to the members of Winchester Solar Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006, and UK Tax legislation.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

Winchester Solar Limited

Independent Auditor's Report to the members of Winchester Solar Limited (continued)

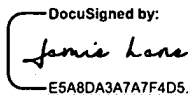
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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

DocuSigned by:

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Jamie Lane (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

23 November 2022 | 17:25:48 GMT

Winchester Solar Limited**Statement of Comprehensive Income
For the year ended 30 September 2022**

	Note	2022 £	2021 £
Revenue		-	-
Administrative expenses	5	(4,069)	(3,720)
Operating loss		(4,069)	(3,720)
Finance income	8	-	234,708
Finance costs	8	(140,400)	(98,515)
(Loss) / profit before tax		(144,469)	132,473
Tax credit / (charge)	9	8,753	(43,866)
(Loss) / profit for the financial period		(135,716)	88,607

The company has no other items of comprehensive income and as such the Statement of Comprehensive Income for the year agrees to the (loss) / profit for the year.

The notes on pages 10 to 19 form part of these financial statements.

Winchester Solar Limited**Statement of Financial Position
at 30 September 2022**

Company number 08865193		30 September		30 September	
	Note	2022	2022	2021	2021
		£	£	£	£
Assets					
Non-current assets					
Investments	10		1		1
Current assets					
Trade and other receivables	11	7,916,638		7,950,000	
Cash and cash equivalents	12	16,042		63,629	
			7,932,680		8,013,629
Total assets			7,932,681		8,013,630
Equity attributable to the owners of the company					
Called up share capital	13	45,688		45,688	
Share premium account	13	4,797,187		4,797,187	
Retained earnings	13	(282,486)		(146,770)	
Total equity			4,560,389		4,696,105
Liabilities					
Non-current liabilities					
Borrowings – preference shares	14	1,230,000		1,230,000	
			1,230,000		1,230,000
Current liabilities					
Trade and other payables	15	2,142,292		2,043,659	
Current tax liability	9	-		43,866	
			2,142,292		2,087,525
Total liabilities			3,372,292		3,317,525
Total equity and liabilities			7,932,681		8,013,630

The financial statements on pages 6 to 9 were approved and authorised for issue by the Board of Directors on and were signed on its behalf by:

DocuSigned by:

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P Lambert
 Director

23 November 2022 | 16:58:42 GMT

The notes on pages 10 to 19 form part of these financial statements.

Winchester Solar Limited

Statement of Cash Flows for the year ended 30 September 2022

	Note	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash used in operations	17	(3,721)		(3,480)	
Interest (paid) / received		(42,115)		234,708	
Income tax paid		(43,866)		(39,049)	
Net cash (used in) / generated by operating activities			(89,702)		192,179
Cash flows from investing activities					
Decrease / (Increase) in loans to subsidiary company		42,115		(5,570,761)	
Movement in loans to parent company		-		3,800,000	
Movement in loans from parent company		-		1,400,000	
Net cash generated by / (used in) investing activities			42,115		(370,761)
Net decrease in cash and cash equivalents			(47,587)		(178,582)
Cash and cash equivalents at beginning of period			63,629		242,211
Cash and cash equivalents at the end of period			16,042		63,629
Cash and cash equivalents comprise:					
Cash at bank and in hand	12		16,042		63,629

The notes on pages 10 to 19 form part of these financial statements.

Winchester Solar Limited**Statement of Changes in Equity
for the year ended 30 September 2022**

	Share capital £	Share premium £	Profit and loss account £	Total Equity £
Balance at 30 September 2020	45,688	4,797,187	(235,377)	4,607,498
Comprehensive income				
Profit for the year	-	-	88,607	88,607
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2021	45,688	4,797,187	(146,770)	4,696,105
Comprehensive income				
Loss for the year	-	-	(135,716)	(135,716)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 30 September 2022	45,688	4,797,187	(282,486)	4,560,389
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 19 form part of these financial statements.

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022

1 General information

Winchester Solar Limited, through its wholly owned subsidiary SN12 6EF Limited, owns and operates a ground mounted solar photovoltaic installation site, which results in income from the sale of electricity and government energy subsidies. The company is a holding company.

The Company is a private limited company and is incorporated in England and Wales and domiciled in the United Kingdom. The registered office is located at 20 Jewry Street, Winchester, Hampshire, England SO23 8RZ

2 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on the going concern basis. The Directors have assessed that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors therefore believe it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements. The policies set out below have been consistently applied to all the periods presented.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements are disclosed in note 4.

These separate financial statements contain information about Winchester Solar Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiaries are included by full consolidation in the consolidated financial statements of its ultimate parent, Portchester Equity Limited, a company incorporated in England and Wales. Copies of the financial statements of the ultimate parent are available from Portchester Equity Limited, 20 Jewry Street, Winchester, Hampshire, SO23 8RZ.

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (*continued*)

2 Accounting policies (continued)

Adoption of new and revised standards

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Covid 19-Related Rent Concessions Beyond 30 June 2021 (Amendment to IFRS 16 Leases)	1 April 2021

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3 Business Combinations)	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
Annual improvements 2018-2020 cycle	1 January 2022
Classification of Liabilities as Current or Non-Current: amendments to IAS 1	1 January 2023
IFRS 17 - Insurance Contracts	1 January 2023
Amendments to IFRS 17 - Insurance Contracts; and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 Insurance Contracts)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)	1 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes)	1 January 2023
Classification of Liabilities as Current or Non-Current: amendments to IAS 1	1 January 2024

The directors are evaluating the impact that these standards will have on the financial statements of the Company.

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (continued)

2 Accounting policies (continued)

Functional and presentation currency

The functional and presentation currency of the Company is Pounds Sterling. Monetary values in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

Financial assets

Classification

The Company classifies its financial assets in one category - "loans and receivables". The classification depends on the purpose for which the financial assets were acquired and management determines the classification of its financial assets at initial recognition. The Company's loans and receivables comprise 'trade and other receivables' and cash balances in the Statement of Financial Position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current assets.

Amounts due by subsidiary undertaking have no set repayment date and are not subject to interest.

Amounts due by parent company are repayable on demand and are subject to 5.5% interest.

Trade and other receivables

Group and other receivables are initially measured at fair value plus transaction costs. Receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments, with original maturities of three months or less.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Trade and other payables

Trade and other payables are non-derivative financial liabilities with fixed or determinable payments and relate to obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are included in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (*continued*)

2 Accounting policies (continued)

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, it establishes provisions, when appropriate, as the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Statement of Financial Position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority.

3 Financial risk management

Financial risk factors

The Company's operations expose it to a variety of financial risks that include credit risk, capital risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of the markets in which it operates and seeks to minimise associated volatility of the Company's financial performance. The Company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

(a) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Company has implemented policies that require maintaining appropriate credit limits on all customers. The company's credit risk is primarily attributable to its trade receivables balance. The amounts presented in the statement of financial position are net of allowances for doubtful debts.

The Company does not have significant concentrations of credit risk. The deposits with banks are only held with reputable financial institutions with a credit rating of 'B' or above. The credit worthiness is reviewed periodically in order to ensure active management of counter-party risk. If customers are independently rated, these ratings are used if there is no independent rating, the respective board of directors assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (continued)

3 Financial risk management (continued)

The expected loss rates are based on the payment profiles of sales over the previous 36 months and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Management considered the expected loss allowance at the reporting date to be immaterial.

(b) Capital risk management

Management regard the capital structure of the Company to consist of the ordinary and preference share capital in issue.

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 optimum 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.

The Company keeps the capital structure under review with a process of monthly financial forecasts updated quarterly. These forecasts, including a detailed cash flow forecast, provide the Board with an assessment of the Company's capital adequacy for the period under review. Management consider the current management of capital to be satisfactory.

(c) Liquidity risk

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operational requirements. Operating cash flows are actively managed with annual cash flow forecasts updated as required and subject to board review.

The company had no non-derivative financial liabilities at the reporting date other than accrued expenses.

4 Critical accounting estimates and judgements

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.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

There have been no significant critical accounting estimates or judgements made in the preparation of these financial statements.

5 Administrative expenses

	2022 £	2021 £
Bank charges	541	540
Professional fees	3,528	3,180
	<hr/>	<hr/>

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (continued)

	4,069	3,720
6 Employee benefit expense		
There are no employees other than the directors, who received no remuneration from the company (2021 - £nil).		
7 Auditor's remuneration	2022	2021
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	2,940	2,650
8 Finance income and costs	2022	2021
	£	£
Finance income:		
On loans to parent company	-	234,708
Finance costs:		
On loans from parent company	(42,000)	(115)
Participating preference share dividends	(98,400)	(98,400)
Net finance (expense) / income	(140,400)	136,193
9 Tax expense	2022	2021
	£	£
(Loss) / profit on ordinary activities before tax	(144,469)	132,473
The tax on (loss) / profit before tax differs from the theoretical amount that would arise using the tax rate applicable to the profit of the company as follows:		
(Loss) / profit on ordinary activities at the standard rate of corporation tax in the UK of 19%	(27,449)	25,170
Effect of:		
Expenses not deductible for tax purposes	18,696	18,696
Total tax (credit) / charge	(8,753)	43,866

On 24 May 2021 the Finance Bill 2021 was substantively enacted confirming the corporation tax rate will increase to 25% from 1 April 2023 and this was the rate in force at the year-end.

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (continued)

10 Fixed asset investments

Group
Undertakings

Cost

At 30 September 2021 and 30 September 2022

1

Subsidiary undertakings

The principal undertakings in which the company's interest at the period end is 20% or more are as follows:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
SN12 6EF Limited	England and Wales	100%	Generation of electricity
SN12 6EF Limited shares the same registered address as Winchester Solar Limited.			

11 Trade and other receivables

	2022 £	2021 £
Amounts due by subsidiary undertaking	7,907,885	7,950,000
Amounts due from group undertakings	8,753	-
	<u>7,916,638</u>	<u>7,950,000</u>

All amounts shown under debtors fall due for payment within one year. The fair value of current trade and other receivables at 30 September 2022 approximates to the book value stated above.

12 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents in the Statement of Cash Flows comprise the following Statement of Financial Position amounts:

	2022 £	2021 £
Cash at bank and in hand	16,042	63,629
Cash and cash equivalents for the purposes of the Statement of Cash Flows	<u>16,042</u>	<u>63,629</u>

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (*continued*)

13 Equity

Share capital	Number of 1p ordinary shares authorised and issued	Ordinary shares £
At 30 September 2021 and 30 September 2022	4,568,750	45,688

The company has in issue 1,230,000 1p participating preference shares that are allotted, called up and fully paid. These shares had a subscription price of £1 per share and are classified as a financial liability. These shares pay an annual dividend of between 8% and 9%.

Retained earnings

This reserve represents cumulative net gains and losses recognised in the Statement of Comprehensive Income.

Share premium

This reserve represents consideration received for shares issued above their nominal value, net of transaction costs.

14 Borrowings

	2022 £	2021 £
<i>Non-current</i>		
Redeemable preference shares	1,230,000	1,230,000
	<hr/>	<hr/>
Total borrowings	1,230,000	1,230,000
	<hr/>	<hr/>

15 Trade and other payables

Current	2022 £	2021 £
Amounts owed to parent company	1,400,000	1,400,115
Accruals and deferred income	742,292	643,544
	<hr/>	<hr/>
	2,142,292	2,043,659
	<hr/>	<hr/>

The carrying value of accrued liabilities and deferred income is considered to be in line with their fair value at the reporting date.

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (*continued*)

16 Financial instruments

	2022 £	2021 £
<i>Financial assets:</i>		
Measured at amortised cost		
Amounts owed by subsidiary undertaking	7,907,885	7,950,000
Amounts owed by group undertaking	8,753	-
Cash and cash equivalents	16,042	63,629
	<u>7,932,680</u>	<u>8,013,629</u>
<i>Financial liabilities:</i>		
Measured at amortised cost		
Amounts owed to parent undertaking	1,400,000	1,400,115
Borrowings	1,230,000	1,230,000
	<u>2,630,000</u>	<u>2,630,115</u>

17 Cash used in operations

	2022 £	2021 £
(Loss) / profit before tax	(144,469)	132,473
Adjustments for:		
Finance costs – preference share dividends	98,400	98,400
Finance costs – interest payable	42,000	115
Finance income	-	(234,708)
Changes in working capital:		
Trade and other payables	348	240
	<u>(3,721)</u>	<u>(3,480)</u>
Cash used in operations		

18 Guarantees

A debenture is in place with Close Brothers in respect of the borrowings in SN12 6EF Limited, the subsidiary company, to provide a fixed charge and negative pledge over the assets of the company.

Winchester Solar Limited

Notes Forming Part of the Financial Statements for the year ended 30 September 2022 (continued)

19 Related party transactions

During the year Portchester Equity Limited, a company of which M E Thistlethwayte and P Lambert are directors, repaid £nil of the loan (2021: £3,800,000). During the year the maximum loan amount was £nil (2021: £3,800,000). Interest was charged at 5.5% per annum and at the balance sheet date interest and capital of £nil remained outstanding (2021: £nil). During the year £nil (2021: £234,708) interest was paid in relation to this loan.

During the year Portchester Equity Limited loaned the company £nil (2021: £1,400,000) and at the balance sheet date the £1,400,000 (2021: £1,400,000) remained outstanding. Interest was incurred at 3% per annum and at the balance sheet date interest of £nil remained outstanding (2021: £115). During the year £42,000 (2021: £nil) interest was paid in relation to this loan.

During the year £91,704 (2021: £65,376) was accrued as a dividend on redeemable preference shares of £861,040 (2021: £817,200) owned by Portchester Equity Limited. At 30 September 2022, £517,096 (2021 - £425,392) was accrued in respect of these dividends.

During the year the company has continued to make loans available to its wholly owned subsidiary, SN12 6EF Limited, on which no interest is charged. At the balance sheet date £7,907,885 (2021: £7,950,000) remained outstanding.

20 Ultimate controlling party

The immediate and ultimate parent company is Portchester Equity Limited, a private company incorporated in England and Wales. The largest and smallest company in which the results of the company are consolidated is that headed by Portchester Equity Limited. Copies of these financial statements can be obtained from 20 Jewry Street, Winchester, Hampshire, SO23 8RZ.

The directors recognise M E Thistlethwayte as the ultimate controlling party by virtue of his majority holding in the ordinary shares of Portchester Equity Limited.