

SN12 6EF Limited

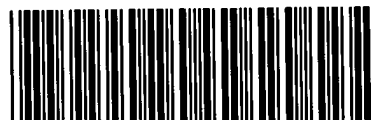
Report and Financial Statements

Year Ended

30 September 2022

Company Number 09245781

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SN12 6EF 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
P R Bragg

Registered office

20 Jewry Street, Winchester, Hampshire. SO23 8RZ

Company number

09245781

Auditor

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

SN12 6EF 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 21 July 2022)
P R Bragg (appointed 21 July 2022)

The Company purchased and 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 requirements of 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.

SN12 6EF Limited

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

Auditors

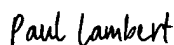
All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant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

Paul Lambert

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P Lambert
Director

23 November 2022 | 16:58:42 GMT

SN12 6EF Limited**Independent Auditor's Report to the members of SN12 6EF Limited**

Opinion

We have audited the financial statements of SN12 6EF 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 profit 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.

SN12 6EF Limited

Independent Auditor's Report to the members of SN12 6EF 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 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.

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.

SN12 6EF Limited**Independent Auditor's Report to the members of SN12 6EF Limited (continued)**

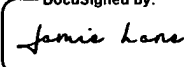
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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

SN12 6EF Limited**Statement of Comprehensive Income
for the year ended 30 September 2022**

	Note	2022 £	2021 £
Revenue	5	2,121,302	1,584,881
Administrative expenses	6	(929,175)	(934,642)
Operating profit		1,192,127	650,239
Finance costs	9	(178,949)	(420,761)
Profit before tax		1,013,178	229,478
Tax expense	10	(209,763)	(111,673)
Profit for the financial year		803,415	117,805

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

The notes on pages 11 to 24 form part of these financial statements.

SN12 6EF Limited**Statement of Financial Position
at 30 September 2022****Company number 09245781**

	Note	2022 £	2022 £	2021 £	2021 £
Assets					
Non-current assets					
Property, plant and equipment	11	8,970,947		9,484,506	
Right-of-use assets	12	1,315,989		1,293,244	
			10,286,936		10,777,750
Current assets					
Trade and other receivables	13	920,485		616,234	
Cash and cash equivalents	15	1,483,164		787,098	
			2,403,649		1,403,332
Total assets			12,690,585		12,181,082

SN12 6EF Limited**Statement of Financial Position
at 30 September 2022 (continued)**

	Note	2022 £	2022 £	2021 £	2021 £
Equity attributable to the owners of the company					
Called up share capital	16	1		1	
Retained earnings	16	1,261,919		458,504	
Total equity			1,261,920		458,505
Liabilities					
Non-current liabilities					
Borrowings	14	845,642		1,445,770	
Lease liabilities	12	1,320,296		1,274,888	
Deferred tax liability	10	210,500		211,111	
Non-current liabilities			2,376,438		2,931,769
Current liabilities					
Trade and other payables	17	280,994		177,904	
Amounts owed to group undertakings		7,907,885		7,950,000	
Borrowings	14	600,128		554,230	
Lease liabilities	12	52,847		52,432	
Current tax liability	10	210,374		56,242	
			9,052,228		8,790,808
Total liabilities			11,428,666		11,722,577
Total equity and liabilities			12,690,586		12,181,082

The financial statements on pages 6 to 10 were approved and authorised for issue by the Board of Directors on and were signed on its behalf by:

DocuSigned by:

Paul Lambert

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P Lambert
Director

23 November 2022 | 16:58:42 GMT

The notes on pages 11 to 24 form part of these financial statements.

SN12 6EF Limited**Statement of Cash Flows
for the year ended 30 September 2022**

	Note	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated by operations	19	1,581,476		1,231,527	
Income tax paid		(56,242)		(63,495)	
Net cash generated by operating activities			1,525,234		1,168,032
Cash flows from investing activities					
Net (decrease) / increase in loan from parent company		(42,115)		5,570,761	
Net cash (used in) / generated by investing activities			(42,115)		5,570,761
Cash flows from financing activities					
Repayment of bank loans		(691,396)		(7,641,353)	
Payment of lease liability		(95,657)		(88,758)	
Net cash used in financing activities			(787,053)		(7,730,111)
Net increase / (decrease) in cash and cash equivalents			696,066		(991,318)
Cash and cash equivalents at beginning of year			787,098		1,778,416
Cash and cash equivalents at the end of year			1,483,164		787,098
Cash and cash equivalents comprise:					
Cash at bank and in hand	15		1,483,164		787,098

The notes on pages 11 to 24 form part of these financial statements.

SN12 6EF Limited**Statement of Changes in Equity
for the year ended 30 September 2022**

	Share capital £	Profit and loss account £	Total equity £
Balance at 30 September 2020	1	340,699	340,700
Comprehensive income			
Profit for the period	-	117,805	117,805
	<u>1</u>	<u>458,504</u>	<u>458,505</u>
Balance at 30 September 2021			
Comprehensive income			
Profit for the year	-	803,415	803,415
	<u>1</u>	<u>1,261,919</u>	<u>1,261,920</u>
Balance at 30 September 2022	<u>1</u>	<u>1,261,919</u>	<u>1,261,920</u>

The notes on pages 11 to 24 form part of these financial statements.

SN12 6EF Limited

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

1 General information

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 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.

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.

SN12 6EF Limited

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

2 Accounting policies (continued)

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.

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.

SN12 6EF Limited

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

2 Accounting policies (*continued*)

Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the assets.

The cost of repairs and maintenance are charged to the Statement of Comprehensive Income in the year in which they are incurred.

Depreciation on all property, plant and equipment is determined to allocate their cost to their residual values over their estimated useful lives, a summary of which is as follows:

Plant and machinery	-	Over the term of planning permission for the site (25 years)
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The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the Statement of Comprehensive Income.

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.

Trade and other receivables

For trade receivables, expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The risk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

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.

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****2 Accounting policies (continued)***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.

Current and deferred income tax

The tax expense for the year 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.

Revenue

Revenue represents sales to external customers at invoiced amounts less value added tax on sales. Revenue refers to income from electricity generation, through owning and operating a ground mounted solar photovoltaic installation, which provides turnover from the sale of electricity and government energy subsidies. Turnover is recognised as electricity is generated.

Revenue is recognised on an accruals basis, with revenue being recognised only when there is sufficient certainty in respect of the consideration that will be received by the company.

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****2 Accounting policies (continued)***Leases*

The company is a lessee of assets.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the lease asset is available for use by the Company.

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease liabilities are initially measured at the net present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Extension and termination options are included in a number of the property leases across the Company. The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company applies judgement in evaluating whether it is reasonably certain to exercise an option to renew or terminate a lease. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise, or not to exercise, the option to renew or terminate the contract. If a lease modification either increases the given lease's scope by adding the right to use of an asset then this modification is treated as a new lease.

Payments associated with short-term leases and leases of low-value assets (with a value of less than £5,000) are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****3 Financial risk management***Financial risk factors*

The Company's operations expose it to a variety of financial risks that include the effects of 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.

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 share 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.

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****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 Revenue

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

Management considers there to be only one operating segment within the business based on the way the business is organised and the way results are reported internally. All turnover arose in the UK.

(a) Disaggregation of revenue

Major sales lines	2022 £	2021 £
Electricity	1,021,959	627,571
Renewable obligation certificates	944,590	880,409
Renewable obligation certificates recycle benefit	154,753	76,901
	<u>2,121,302</u>	<u>1,584,881</u>

6 Administrative expenses

	2022 £	2021 £
Depreciation of owned assets	513,559	513,559
Depreciation of right-of-use assets	76,951	67,182
Operations & maintenance	83,179	87,188
Business rates	37,632	37,632
Insurance	20,623	19,168
Management fee	142,362	142,362
Repairs & maintenance	2,138	9,343
Professional fees	11,960	10,800
Other costs	40,771	47,408
	<u>929,175</u>	<u>934,642</u>

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****7 Employee benefit expense**

There are no employees other than the directors, who received no remuneration from the company (2021 - £nil).

8 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditors for the audit of the company's financial statements	11,960	10,800

9 Finance costs

	2022 £	2021 £
Finance costs:		
Bank loans	137,166	379,343
Amortisation of bank loan issue costs	-	1,600
On lease arrangements	41,783	39,818
Total finance costs	178,949	420,761

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****10 Tax expense**

	2022 £	2021 £
<i>Current tax</i>		
Current tax on profits for the year	210,374	56,242
	<hr/>	<hr/>
Total current tax expense	210,374	56,242
	<hr/>	<hr/>
<i>Deferred tax</i>		
(Decrease)/Increase in deferred tax liabilities	(611)	55,431
	<hr/>	<hr/>
Total deferred tax (credit)/expense	(611)	55,431
	<hr/>	<hr/>
Total tax expense	209,763	111,673
	<hr/>	<hr/>

The tax on profit before tax differs from the theoretical amount that would arise using the tax rate applicable to the profit of the company as follows:

Total profit before tax	1,013,178	229,478
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19%	192,504	43,601
Effect of:		
Fixed asset timing differences	(611)	4,765
Changes in future tax rate	-	50,666
Expenses not deductible for tax purposes	17,870	12,641
	<hr/>	<hr/>
Total tax expense	209,763	111,673
	<hr/>	<hr/>

There is a deferred tax liability totalling £210,500 (2021: deferred tax liability of £211,111) relating to fixed asset timing differences carried forward of £841,999 (2021: £844,443).

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 is was the rate in force at the year-end

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)**

11 Property, plant and equipment	Plant and machinery £
At 30 September 2020	
Cost	12,838,820
Accumulated depreciation	(2,840,755)
	<hr/>
Balance at 1 October 2020	9,998,065
Depreciation charge	(513,559)
	<hr/>
Net book value at 30 September 2021	9,484,506
At 30 September 2021	
Cost	12,838,820
Accumulated depreciation	(3,354,314)
	<hr/>
Net book value at 30 September 2021	9,484,506
	<hr/>
Balance at 1 October 2021	9,484,506
Depreciation charge	(513,559)
	<hr/>
Net book value at 30 September 2022	8,970,947
	<hr/>
At 30 September 2022	
Cost	12,838,820
Accumulated depreciation	(3,867,873)
	<hr/>
Net book value at 30 September 2022	8,970,947
	<hr/>

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****12 Leases**

<i>(a) Right of use assets</i>	Land and buildings £	
Balance at 01 October 2020	1,289,431	
Revaluation	70,995	
Depreciation charge	(67,182)	
Closing net carrying value	1,293,244	
At 30 September 2021		
Cost	1,424,101	
Depreciation charge	(130,857)	
Net book value at 30 September 2021	1,293,244	
Balance at 01 October 2021	1,293,244	
Revaluation	99,696	
Depreciation charge	(76,951)	
Closing net carrying value	1,315,989	
At 30 September 2022		
Cost	1,523,797	
Accumulated depreciation	(207,808)	
Net book value at 30 September 2022	1,315,989	
<i>Lease liabilities</i>	2022	2021
<i>(b)</i>	£	£
<i>Maturity analysis – contractual undiscounted cash flows</i>		
Less than one year	97,664	89,634
One to five years	390,656	358,535
More than five years	1,294,050	1,277,279
Total undiscounted lease liabilities at 30 September 2022	1,782,370	1,725,448
<i>Lease liabilities included in the statement of financial position</i>		
Current	52,847	52,432
Non-current	1,320,296	1,274,888
	1,373,143	1,327,320
<i>Amounts recognised in profit or loss</i>	2022	2021
<i>(c)</i>	£	£
Interest on lease liabilities	41,783	39,818

Total cash outflow for leases in the year was £95,657 (2021: £88,758).

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****12 Leases (continued)**

The contractual undiscounted cashflows do not reflect the fact that the lease payments are index linked.

13 Trade and other receivables

	2022 £	2021 £
Trade receivables	177,016	139,772
Prepayments and accrued income	743,469	476,462
	<u>920,485</u>	<u>616,234</u>

All amounts shown under receivables fall due for payment within one year. The fair value of current trade and other receivables at 30 September 2021 is approximate to the book value stated above.

14 Borrowings

	2022 £	2021 £
Non-current		
Bank loan	845,642	1,445,770
Current		
Bank loan	600,128	554,230
	<u>1,445,770</u>	<u>2,000,000</u>
Total borrowings	<u>1,445,770</u>	<u>2,000,000</u>

A debenture is in place with Close Brothers in respect of these borrowings to provide a fixed and floating charge over the assets of the company.

15 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	1,483,164	787,098
	<u>1,483,164</u>	<u>787,098</u>
Cash and cash equivalents for the purposes of the Statement of Cash Flows	<u>1,483,164</u>	<u>787,098</u>

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****16 Equity****Share capital**

	Number of £1 ordinary shares authorised and issued	Ordinary shares £
--	---	----------------------------------

At 30 September 2021 and 30 September 2022

1

1

Retained earnings

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

17 Trade and other payables**Current**

	2022 £	2021 £
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Trade payables

18,839

19,607

Taxation & social security

143,119

104,257

Accruals and deferred income

119,036

54,040

280,994

177,904

The carrying amount of trade payables, accrued expenses and deferred income is considered to be in line with their fair value at the reporting date.

18 Financial instruments

	2022 £	2021 £
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Financial assets:

Measured at amortised cost

Trade and other receivables

177,016

139,772

Cash and cash equivalents

1,483,164

787,098

1,660,180

926,870

Financial liabilities:

Measured at amortised cost

Amounts owed to group undertakings

7,907,885

7,950,000

Borrowings

1,445,770

2,000,000

Trade and other payables

18,839

19,607

9,372,494

9,969,607

SN12 6EF Limited**Notes Forming Part of the Financial Statements
for the year ended 30 September 2022 (continued)****19 Cash used in operations**

	2022 £	2021 £
Profit before tax	1,013,178	229,478
Adjustments for:		
Depreciation of fixed assets	513,559	513,559
Depreciation of right of use asset	76,951	67,182
Finance expense - (net)	178,949	420,761
Changes in working capital:		
Trade and other receivables	(304,251)	46,622
Trade and other payables	103,090	(46,075)
Cash generated by operations	<u>1,581,476</u>	<u>1,231,527</u>

20 Related party transactions

During the year the company has continued to have loans made available by its parent company, Winchester Solar Limited, on which no interest is charged. At the balance sheet date £7,907,885 (2021: £7,950,000) remained outstanding.

During the year the company was charged for management services by Buckland Capital Partners Limited, a company in which M E Thistlethwayte, W R Cann and P Lambert are directors, of £142,362 (2021: £142,362). At the balance sheet date £nil (2021: £nil) remained outstanding.

21 Ultimate controlling party

The immediate parent company is Winchester Solar Limited and the 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.

22 Reconciliation of liabilities arising from financing activities

	2021 £	Revaluation of IFRS 16 £	Cash flows £	Interest £	2022 £
Lease liabilities	1,327,320	99,696	(95,656)	41,783	1,373,143
Borrowings	2,000,000	-	(691,396)	137,166	1,445,770
	<u>3,327,320</u>	<u>99,696</u>	<u>(787,052)</u>	<u>178,949</u>	<u>2,818,913</u>