



Westfield Energy Limited

Directors' Report and Financial Statements

Registered number SC574446

Year Ended 31 March 2022



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Directors' Report

The directors present their Directors' Report and audited financial statements for the year ended 31 March 2022.

The Director's Report has been prepared in accordance with the provisions applicable to companies entitled to take the small companies' exemption under Companies Act 2006.

The directors have taken advantage of the small companies' exemption provided by section 414A of the Companies Act 2006 not to present a strategic report.

Principal activities and business review

The Company's principal activities are associated with the development of energy projects, with the initial focus on a solar energy scheme within the former surface mining site in Fife, Scotland as part of the wider Westfield Restoration and Regeneration Project. Prior to the current year, the Company was dormant.

The Company holds a planning consent permitting a development of up to 30MW of solar generation linked to up to 20MW of battery storage. During the year, activities of the Company concentrated on the review of the design and cost analysis to support the progression into the next stage of the development cycle for the proposed solar scheme.

The results of the Company are outlined in more detail on page 9.

Key financial performance indicators

Given the early stage of the Company's principal activities, the directors do not consider there to be any relevant financial key performance indicators for the year. The directors currently consider the key non-financial performance indicators to be those associated with the continuing development of prospective projects. These include:

- Progress and success in preparing, submitting and securing necessary planning applications for the project;
- Success in securing the grid connection arrangements that support ongoing development of the project;
- Finalisation of the design and cost estimates for the construction phase of the project.

The above matters have been progressed to the required extent during the year.

Dividends

The directors do not recommend the payment of a dividend (2021: £nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors

The directors who held office during the year and up to the date of this report were as follows:

ID Cockburn
AS Lambie
P Newman
N Young
RHG Shaw

Director's Report *(continued)*

Other information

The principal risks and uncertainties facing the wider Group of which the Company is a member are outlined in the consolidated financial statements of the Company's ultimate parent, Lantern Holdco Limited.

Following the United Kingdom's ("UK") departure from the European Union on 31 January 2020 (the "Brexit"), the UK's transition period ended on 31 December 2020. The directors have assessed that due to the nature of Company's activities Brexit has had, and is expected to continue to have, no impact on the Company and its operations.

On 11 March 2020, the World Health Organisation declared COVID-19 to be a global pandemic. Rapid rollout of the COVID-19 vaccines across the UK since the start of 2021 allowed the governments to ease of the restrictions and stimulated economic rebound. COVID-19 has not had any significant impact on the Company and its operations in the current or the prior financial year. Given the nature of the Company's activities, the directors do not expect COVID-19 to impact the Company going forward.

The Company is monitoring the geopolitical situation in Eastern Europe following Russia's invasion of Ukraine on 24 February 2022. Given the nature of the Company's activities, the directors do not expect the war to have an impact on the Company or its activities.

Auditor

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

By order of the board



ID Cockburn
Director

C/O Brockwell Energy Limited
Caledonian Exchange
19a Canning Street
Edinburgh
EH3 8EG

12 December 2022

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Westfield Energy Limited

Opinion

We have audited the financial statements of Westfield Energy Limited (the "Company") for the year ended 31 March 2022 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its result for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards, we perform procedures to address the risk of management override of controls.

Independent Auditor's Report to the Members of Westfield Energy Limited *(continued)*

Fraud and breaches of laws and regulations – ability to detect *(continued)*

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

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

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

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

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

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

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

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

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

Directors' Report

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

Our responsibility is to read the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Independent Auditor's Report to the Members of Westfield Energy Limited (continued)

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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



Johnathan Pass (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX

12 December 2022

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 March 2022

	<i>Note</i>	Year ended 31 March 2022 £000	Year ended 31 March 2021 £000
Administrative expenses		-	-
Result before taxation	2-3	-	-
Tax	4	-	-
Result for the financial year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

The accompanying notes on pages 12 to 17 form an integral part of these financial statements.

Balance Sheet
at 31 March 2022

	<i>Note</i>	2022 £000	£000	2021 £000	£000
Non-current assets					
Tangible assets	5		179		179
Debtors: amounts falling due after more than one year	6		44		38
			223		217
 Creditors: amounts falling due within one year	 7	 (223)		 (217)	
Net current liabilities			(223)		(217)
Net assets			-		-
 Capital and reserves					
Called up share capital	8		-		-
Profit and loss account			-		-
Total equity			-		-

The accompanying notes on pages 12 to 17 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 12 December 2022 and were signed on its behalf by:



ID Cockburn
Director

Registered number: SC574446

Statement of Changes in Equity
for the year ended 31 March 2022

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2020	-	-	-
Total comprehensive income for the year			
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 March 2021	-	-	-
Balance at 1 April 2021	-	-	-
Total comprehensive income for the year			
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 31 March 2022	-	-	-

The accompanying notes on pages 12 to 17 form an integral part of these financial statements.

Notes to the financial statements

1 Accounting policies

Reporting entity

Westfield Energy Limited is a company limited by shares and incorporated, domiciled and registered in Scotland in the UK. The address of its registered office is C/O Brockwell Energy Limited, Caledonian Exchange, 19a Canning Street, Edinburgh, United Kingdom, EH3 8EG. The nature of the Company's principal activities are set out in the Directors' Report on pages 3 to 4.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")*. The presentation currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest thousand.

The Company's ultimate parent undertaking at 31 March 2022, Lantern Holdco Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Lantern Holdco Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the year;
- Cash Flow Statement and related notes; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Lantern Holdco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no material judgements made by the directors, in the application of these accounting policies that are expected to have a significant effect on the financial statements or any estimates with a significant risk of material adjustment in the next year.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

Notwithstanding the net current liabilities of £223,000 (2021: £217,000) and net assets of £1 (2021: £1) at 31 March 2022, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate as at the date of their approval for the reasons outlined below.

The Company meets its day to day working capital requirements using the funds made available to it by Brockwell Energy Limited under an uncommitted equity loan facility. Brockwell Energy Limited has provided the directors of the Company with a letter confirming that for a period of at least 12 months from the date of approval of these financial statements, it will provide the financial support to the Company required to allow it to operate in a lawful and proper manner and to satisfy all obligations when they become due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

After making enquiries, the directors have a reasonable expectation that Brockwell Energy Limited will continue to provide the financial support to the Company and has adequate resources to be able to do so. Based on these enquiries and considerations, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore they continue to prepare the financial statements on a going concern basis.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Foreign currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Impairment excluding deferred tax assets

Financial assets (including other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

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

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

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Impairment excluding deferred tax assets (continued)

Non-financial assets (continued)

the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets. The Company assesses at each reporting date whether the tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. Assets in the course of construction are not depreciated until they are available for use.

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Expenses

Interest receivable and Interest payable

Interest payable and similar expenses include interest payable, finance expense on shares classified as liabilities and finance leases recognised in profit and loss account using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in profit and loss account (see foreign currency accounting policy).

Interest income and interest payable is recognised in profit and loss account as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account. To the extent that it relates to items recognised directly in equity or other comprehensive income, it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to any investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Taxation *(continued)*

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Expenses and auditor's remuneration

The audit fee for the year ended 31 March 2022 was borne by another Group company (2021: £nil).

3 Directors' remuneration, staff numbers and costs

None of the directors received any remuneration or benefits from the Company during the current or the prior year, nor are they employees of the Company. The Company had no employees during the current or the prior year.

4 Taxation

There is no current or deferred tax arising in the current or the prior year.

5 Tangible assets

	Assets in the course of construction £000
<i>Cost</i>	
At beginning of the year	179
Additions	-
At end of year	179
<i>Depreciation</i>	
At beginning of the year	-
Charge for the year	-
At end of year	-
<i>Net book value</i>	
At 31 March 2022	179
At 31 March 2021	179

Assets in the course of construction comprises the development and planning costs directly attributable to the development of a solar energy project.

Notes to the financial statements *(continued)*

6 Debtors

	2022 £000	2021 £000
Other debtors	44	38
	<u>44</u>	<u>38</u>
Due within one year	-	-
Due after more than one year	44	38
	<u>44</u>	<u>38</u>

Other debtors comprise a cash deposit held on behalf of the Company by National Grid Electricity Transmission plc ("National Grid") as a security in respect of the cancellation charges and other securities under the Company's grid connection offer. The planned connection date is 2026 therefore the debtor has been classified as non-current.

7 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to Group undertakings	222	217
	<u>222</u>	<u>217</u>

Amounts above comprise of a loan from the Company's parent company, Brockwell Energy Limited. The loan is unsecured, is repayable on demand and did not accrue any interest in the year ended 31 March 2022. The loan will start accruing interest at a rate of 10% per annum after the earlier of 31 March 2023 and the solar project achieving Financial Close and raising the funding required to finance the construction activities.

8 Called up share capital

	2022 £	2021 £
<i>Allotted and called up</i>		
1 ordinary share (2021: 1) of £1 each	1	1
	<u>1</u>	<u>1</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

9 Contingencies

According to the requirements in the Connection and Use of System Code ("CUSC"), the Company will be liable for all related investments carried out by the transmission owner to the onshore grid infrastructure in order to accommodate the connection of project to the grid. Upon cancellation or reduction of the project's capacity within a certain timeframe, the Company will be liable for all local works that have been carried out up to that point and for a percentage share of all related wider works whether or not these works have commenced.

As at the balance sheet date, National Grid had requested and held a cash security of £43,902 in respect of the cancellation charges for the period from 1 April 2022 to 30 September 2022 stemming from the actual attributable

Notes to the financial statements *(continued)*

9 Contingencies *(continued)*

liabilities of £140,713 and applicable VAT. This security was provided by the Company in the form of a refundable cash deposit.

The directors expect the realisation of the scheme to be successful and therefore do not expect the contingent amounts to become payable as they do not expect to cancel or reduce the proposed connection.

10 Related party disclosures

The Company is a subsidiary undertaking of Brockwell Energy Limited. The ultimate controlling party of the Company is Lantern Holdco Limited. The Company has taken the advantage of the exemption not to disclose transactions with its parent undertaking and wholly owned members of the Group.

11 Ultimate parent company and parent undertaking of larger group

At 31 March 2022, the Company was a subsidiary undertaking of Brockwell Energy Limited. The ultimate controlling party for which consolidated accounts are prepared is Lantern Holdco Limited:

The only group in which the results of the Company are consolidated is that headed by Lantern Holdco Limited. The consolidated financial statements of this company are available to the public and may be obtained from their registered address 35 Great St. Helen's, London, EC3A 6AP.