

Registration number: 07610799

East Langford Solar Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2022



East Langford Solar Limited

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East Langford Solar Limited

Company Information

Directors	Laura Hoddell
	Louise Kingsley
	Giorgia Martina
	Tracy Scott
Company secretary	Dominic Hearth
Registered office	Beaufort Court
	Egg Farm Lane
	Off Station Road
	Kings Langley
	Hertfordshire
	WD4 8LR
Bankers	Lloyds Bank
	PO Box 72
	Bailey Drive
	Gillingham Business Park
	Gillingham
	Kent
Auditors	ME8 0LS
	Deloitte LLP
	Senior Statutory Auditor
	London
	United Kingdom

East Langford Solar Limited

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activity

The principal activity of the company is the generation and sale of solar generated electricity and associated benefits. The Directors do not anticipate any changes to the business activities in the forthcoming year.

Fair review of the business

The company made a profit for the year ended 31 December 2022 of £676,877 (2021: £251,509) and revenue of £2,728,194 (2021: £2,341,234).

Total revenue was 16.53% higher than the prior year, due to increased generation and higher unit prices. Cost of sales was 52.82% higher than the prior year due to an increase in repair costs, consequently gross profit was 3.97% higher.

The company is evaluated using key performance indicators. The two main financial indicators are revenue and profit, as detailed above. The company's key non-financial performance indicator is yield for the year and was 5,446 MWh (2021: 5,188 MWh) which is a 4.97% increase. The assets and liabilities and financial position of the company at the end of the financial year are set out on page 13.

Dividends

An interim dividend of £Nil was paid during the year (2021: £Nil). The directors do not recommend the payment of a final dividend (2021: £Nil).

Principal risks and uncertainties

The principal risks and uncertainties of the business relate to the level of solar radiation arising at the site during the year and the variability of market prices.

Financial risk management policies and objectives

Details regarding managements approach to financial risk management can be found in note 2.

Electricity generator levy

In the 2022 Autumn Statement, the Chancellor announced the introduction of a new 45% tax called the 'Electricity Generator Levy', which will potentially have a very significant impact on the Company. The levy aims to tax what it deems to be 'extraordinary returns' being realised by electricity generators (including those generated from renewable sources) as a result of the increased price of electricity. It came into force on 1 January 2023 and is currently set to be in place until 31 March 2028.

Despite the levy being enforced on higher revenue returns, the directors believe the expected electricity price achieved is sufficient for the company to continue operations and do not envisage any shortfalls in cash as a result of this levy.

Climate change

The directors of East Langford Solar Limited are deeply aware of the implications of climate change, from evolving policies to new low-carbon technologies and enhanced physical risks. The Renewables Infrastructure Group Limited (the ultimate parent company) continue to model climate scenarios to review potential business impacts however, as climate change continues to evolve, it is very difficult to make predictions of the impact on the business with any great certainty.

East Langford Solar Limited

Strategic Report for the Year Ended 31 December 2022

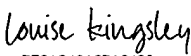
Future developments

The directors do not anticipate any changes to the business activities in the forthcoming year.

The Russia-Ukraine conflict is a humanitarian crisis on a scale not seen in Europe since WWII. As sanctions continue to be imposed against Russia, the economic ramifications of increases to energy prices, fluctuations in foreign exchange rates and interest rate rises could be felt globally. The directors have considered the risks to supply chains and revenue streams however it is very difficult to make forward looking statements or predictions with any great certainty.

In the meantime, we have stress tested our business model to understand what the impact would be, as discussed in the Going Concern statements in this annual report.

Approved and authorised by the Board on 31 August 2023 and signed on its behalf by:

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Louise Kingsley
Director

East Langford Solar Limited

Directors' Report for the Year Ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

The requirements for Financial Risk Management Policies and Objectives, Future Developments and Dividends are disclosed in the Strategic Report.

Directors of the company

The directors who held office during the year were as follows:

Laura Hoddell

Louise Kingsley (appointed 7 July 2022)

Giorgia Martina

Tracy Scott

Jonathan Beeson (ceased 1 June 2023)

Robert Mattholie (ceased 7 July 2022)

Company Secretary

Dominic Hearth served as the company throughout the current and prior year.

Going concern

The financial position of the Company is set out in the Balance Sheet and the accompanying notes to the financial statements.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the company's cash flow for the period of 12 months from the approval date of these financial statements. Thus, they continue to adopt the going concern basis in preparing the annual financial statements. Given the availability of group funding to fund the underlying operations, the directors do not foresee any going concern issues. Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

East Langford Solar Limited

Directors' Report for the Year Ended 31 December 2022

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

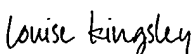
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of auditors

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved and authorised by the Board on 31 August 2023 and signed on its behalf by:

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Louise Kingsley

Director

East Langford Solar Limited

Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

East Langford Solar Limited

Independent Auditor's Report to the Members of East Langford Solar Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of East Langford Solar Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the profit and loss account;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

East Langford Solar Limited

Independent Auditor's Report to the Members of East Langford Solar Limited

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

East Langford Solar Limited

Independent Auditor's Report to the Members of East Langford Solar Limited

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence, environmental regulations and health and safety regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Use of our report

East Langford Solar Limited

Independent Auditor's Report to the Members of East Langford Solar Limited

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:

Marianne Milnes

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Marianne Milnes (FCA) (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

31 August 2023

East Langford Solar Limited

Profit and Loss Account for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Revenue	3	2,728	2,341
Cost of sales		<u>(920)</u>	<u>(602)</u>
Gross profit		1,808	1,739
Administrative expenses		(21)	(90)
Other operating income	4	<u>127</u>	<u>100</u>
Operating profit	5	<u>1,914</u>	<u>1,749</u>
Interest payable and similar expenses	6	<u>(1,162)</u>	<u>(1,240)</u>
		<u>(1,162)</u>	<u>(1,240)</u>
Profit before tax		752	509
Tax on profit	9	<u>(76)</u>	<u>(258)</u>
Profit for the financial year		<u><u>676</u></u>	<u><u>251</u></u>

All transactions are derived from continuing operations.

East Langford Solar Limited

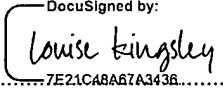
Statement of Comprehensive Income for the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Profit for the year		<u>676</u>	<u>251</u>
Total comprehensive income for the year		<u><u>676</u></u>	<u><u>251</u></u>

East Langford Solar Limited
(Registration number: 07610799)
Balance Sheet as at 31 December 2022

	Note	2022 £ 000	2021 £ 000
Fixed assets			
Intangible assets	10	554	584
Tangible assets	11	<u>7,717</u>	<u>8,265</u>
		<u>8,271</u>	<u>8,849</u>
Current assets			
Stocks	12	33	33
Debtors	13	514	376
Cash at bank and in hand		<u>759</u>	<u>1,348</u>
		1,306	1,757
Creditors: Amounts falling due within one year	15	<u>(10,358)</u>	<u>(11,807)</u>
Net current liabilities		<u>(9,052)</u>	<u>(10,050)</u>
Total assets less current liabilities		(781)	(1,201)
Provisions for liabilities	16	<u>(489)</u>	<u>(745)</u>
Net liabilities		<u>(1,270)</u>	<u>(1,946)</u>
Capital and reserves			
Profit and loss account	18	<u>(1,270)</u>	<u>(1,946)</u>
Total equity		<u>(1,270)</u>	<u>(1,946)</u>

Approved and authorised by the Board on 31 August 2023 and signed on its behalf by:

DocuSigned by:

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 Louise Kingsley
 Director

East Langford Solar Limited

Statement of Changes in Equity for the Year Ended 31 December 2022

	Note	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2022			(1,946)	(1,946)
Profit for the year		-	676	676
Total comprehensive income			676	676
At 31 December 2022		-	(1,270)	(1,270)

	Note	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2021			(2,197)	(2,197)
Profit for the year		-	251	251
Total comprehensive income			251	251
At 31 December 2021		-	(1,946)	(1,946)

The notes on pages 15 to 29 form an integral part of these financial statements.

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

1 General information

The Company is a private company limited by share capital incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The particular accounting policies adopted by the directors are described below. The registered office is Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR.

These financial statements were authorised for issue by the Board on 31 August 2023.

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £000 unless otherwise stated.

East Langford Solar Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements. East Langford Solar Limited is consolidated in the financial statements of European Investments (Cornwall) Holdings Limited which may be obtained at Companies House.

Exemptions have been taken in these separate Company financial statements in relation to presentation of a cash flow statement, disclosure of financial instruments and disclosure of related party transactions.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tangible assets

Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Other property, plant and equipment - Solar farm infrastructure	30 Years
Other property, plant and equipment - Solar inverters	30 Years

Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their residual value, over their expected useful lives on a straight line basis.

Other intangibles represents the purchase cost of know-how, in connection with the development of a solar park and the benefits of contracts including grid connections offers.

An amortisation period of 30 years has been used in line with the solar park's expected useful economic life under the Feed in Tariff regime. The amortisation charge is included within "Cost of sales" in the Profit and Loss Account presented on page 9.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Decommissioning costs

Provisions for decommissioning are recognised in full when the related facilities are constructed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost. The carrying amount for the provision as at 31 December 2022 was £220,630 (2021: £376,618).

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Financial instruments

Classification

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Recognition and measurement

The company has chosen to adopt the recognition and measurement provisions of Sections 11 and 12 of FRS 102 for financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Going concern

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

The Renewables Infrastructure Group (UK) Investments Limited, ("the group"), has confirmed to the directors that it will not demand repayment for existing intercompany loans such that insolvency would result, for a period of at least twelve months from the date of signing of the Annual Report and Financial Statements.

The directors have considered the company's cash flow forecast for the period to the end of August 2024 and are satisfied that the company, taking account of the company's and the wider group's reasonably possible changes in trading performance and the current funds available, is able to operate for at least twelve months from the signing of the Annual Report and Financial Statements. For this reason the directors believe that the company has adequate resources to continue in operational existence and therefore it is appropriate that the company continues to adopt the going concern basis in preparing the Annual Report and Financial Statements.

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Financial risk management policies and objectives

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market process. Market prices comprise of a number of types of risk, the following are discussed below: interest rate risk and currency risk. Financial instruments affected by market risk include: loans and borrowings, deposits and derivative financial instruments.

The Company's risk management focuses on the major areas of credit risk and liquidity risk.

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The company does not have significant exposure in this respect.

Regulatory risk

Regulatory risk is the risk that a change in regulations and law that might affect an industry or a business. Renewable energy projects are dependent for their commercial viability on a suitable regulatory regime. There is a risk that governments introduce retrospective changes to the regime that is agreed at the time the project commenced. This however is unusual in the market and changes to the regulatory regime are more typically for future projects.

Energy resource risk

The energy resource risk is the risk that the amount of the renewable energy resource (e.g. wind and solar irradiation) that is available for a given project is lower than the amount that is expected in the financial model.

Capital risk management

Capital held by the Company and managed centrally as part of the The Renewables Infrastructure Group (UK) Limited comprises share capital and reserves which can be found in the Balance Sheet on page 13.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, and other financial instruments.

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The company's policy to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions.

The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities and by ensuring adequate internally generated funds.

Summary of significant accounting judgements and key accounting estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting judgements and estimates in determining the financial condition and results of the company are those requiring a greater degree of subjective or complete judgement. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

There are no critical judgements in applying accounting policies.

Key sources of estimation uncertainty

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

2 Accounting policies (continued)

Decommissioning provision

Decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new technology or experience at other assets. The expected timing, work scope, amount of expenditure and risk weighting may also change. Therefore significant estimates and assumptions are made in determining the provision for decommissioning, which at 31 December 2022 was £220,630 (2021: £376,618).

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022 £ 000	2021 £ 000
Area of activity:		
Sale of electricity, including renewable incentives	<u>2,728</u>	<u>2,341</u>

The analysis of the company's revenue for the year by market is as follows:

	2022 £ 000	2021 £ 000
UK	<u>2,728</u>	<u>2,341</u>

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2022 £ 000	2021 £ 000
Insurance proceeds	<u>127</u>	<u>100</u>

5 Operating profit

Arrived at after charging/(crediting)

	2022 £ 000	2021 £ 000
Depreciation expense	424	434
Amortisation expense	30	30
Operating lease expense - property	<u>136</u>	<u>117</u>

6 Interest payable and similar expenses

	2022 £ 000	2021 £ 000
Interest expense on other finance liabilities	5	5
Interest payable on loans from group undertakings	<u>1,157</u>	<u>1,235</u>
	<u>1,162</u>	<u>1,240</u>

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

7 Staff costs

The Company had no employees and no directors were paid by the Company for their services during the current nor the prior financial year.

8 Auditor's remuneration

	2022 £ 000	2021 £ 000
Audit of the financial statements	<u>20</u>	<u>8</u>

No non-audit services have been provided in the current or prior period.

9 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £ 000	2021 £ 000
Current taxation		
UK corporation tax	3	-
UK corporation tax adjustment to prior periods	<u>173</u>	<u>-</u>
	<u>176</u>	<u>-</u>
Deferred taxation		
Arising from origination and reversal of timing differences	149	170
Adjustment in respect of prior years	(296)	-
Arising from changes in tax rates and laws	<u>47</u>	<u>88</u>
Total deferred taxation	<u>(100)</u>	<u>258</u>
Tax charge in the profit and loss account	<u>76</u>	<u>258</u>
Tax relating to items recognised in other comprehensive income or equity		
	2022 £ 000	2021 £ 000

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021: lower than the standard rate of corporation tax in the UK) of 19% (2021:19%).

The differences are reconciled below:

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

9 Taxation (continued)

	2022 £ 000	2021 £ 000
Profit before tax	752	509
Corporation tax at standard rate	143	97
Expenses not deductible for tax purposes	8	8
Tax rate changes	47	88
Prior year adjustments	(123)	-
Tax increase (decrease) arising from group relief	-	65
Total tax charge	75	258

In the Spring Budget 2021, the Government announced that from 1 April 2023 the rate of corporation tax would increase to 25%. This law was substantively enacted on 24 May 2021. The closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

Deferred tax

Deferred tax assets and liabilities

		Liability £ 000
2022		
Fixed asset timing differences		268
		268
	Asset £ 000	Liability £ 000
2021		
Fixed asset timing differences	-	386
Short-term timing differences - trading	18	-
	18	386

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

10 Intangible assets

	Other Intangibles £ 000
Cost or valuation	
At 1 January 2022	1,000
At 31 December 2022	1,000
Amortisation	
At 1 January 2022	416
Amortisation charge	30
At 31 December 2022	446
Carrying amount	
At 31 December 2022	554
At 31 December 2021	584

11 Tangible assets

	Solar inverters £ 000	Other property, plant and equipment - Solar farm infrastructure £ 000	Total £ 000
Cost or valuation			
At 1 January 2022	1,679	11,348	13,027
Movement in decommissioning asset		(160)	(160)
Additions	-	36	36
At 31 December 2022	1,679	11,224	12,903
Depreciation			
At 1 January 2022	104	4,658	4,762
Charge for the year	81	343	424
At 31 December 2022	185	5,001	5,186
Carrying amount			
At 31 December 2022	1,494	6,223	7,717
At 31 December 2021	1,575	6,690	8,265

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

12 Stocks

	2022 £ 000	2021 £ 000
Other inventories	<u>33</u>	<u>33</u>

13 Debtors

	2022 £ 000	2021 £ 000
Prepayments	36	35
Accrued income	<u>478</u>	<u>341</u>
	<u>514</u>	<u>376</u>

14 Cash and cash equivalents

	2022 £ 000	2021 £ 000
Cash at bank	<u>759</u>	<u>1,348</u>

15 Creditors

	Note	2022 £ 000	2021 £ 000
Due within one year			
Trade creditors		105	90
Loans due to related parties	21	10,119	11,223
Interest due to related parties		2	417
Social security and other taxes		5	2
Other payables		12	-
Accruals		112	68
Income tax liability	9	3	-
Intercompany creditor		<u>-</u>	<u>7</u>
		<u>10,358</u>	<u>11,807</u>

Loans are repayable on demand with repayment being no later than 24 July 2036 and therefore have been classified as current liabilities in 2022 and 2021. Interest is charged on the loan at a rate of 11%. Loans were issued at market value and are measured at amortised cost.

Interest accruals of £417k have been reclassified in prior year accounts from accruals to interest owed to related parties, to better reflect the underlying transaction as the interest is due to related parties.

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

16 Other provisions

	Deferred tax £ 000	Decommissioning provisions £ 000	Total £ 000
At 1 January 2022	368	377	745
Increase (decrease) in existing provisions	(100)	(160)	(260)
Increase (decrease) due to change in discount rate	-	4	4
At 31 December 2022	<u>268</u>	<u>221</u>	<u>489</u>

A provision has been recognised for decommissioning costs associated with the solar farm owned by the Company.

The Company is committed to decommissioning the solar farm as a result of the construction of the solar farm for the production of power.

The decommissioning provision provides for the future costs of decommissioning of the solar farm. The decommissioning costs provision was reassessed in December 2021 using third party sources and is based on the number of solar panels installed. This is reviewed at each year end based on the prevailing economic environment. The provision has been discounted at an annual rate of 4% (2021: 1.2%) and this discount will be unwound and charged to the profit and loss account until 2042, the expected date of decommissioning.

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

17 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary share capital of £0.01 each	2,000	20.00	2,000	20.00

18 Reserves

The company's reserves are as follows:

The profit and loss reserve represents the cumulative profit or losses, net of dividends and other adjustments.

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£ 000	£ 000
Not later than one year	75	75
Later than one year and not later than five years	299	299
Later than five years	786	861
	<u>1,160</u>	<u>1,235</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £136,238 (2021: £117,067).

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

20 Financial instruments

Categorisation of financial instruments

	2022 £ 000	2021 £ 000
Financial assets measured at amortised cost	478	341
	478	341
Financial liabilities measured at amortised cost	10,341	11,805
	10,341	11,805

Items of income, expense, gains or losses

The total interest expense for financial liabilities not measured at fair value through profit or loss is £1,157,329 (2021: £1,235,068).

21 Related party transactions

Intercompany borrowings consist of unsecured loan notes denominated in GBP and bearing interest at 11% per annum. The loan notes are repayable on demand.

22 Contingent liabilities and other commitments

The Company is included within a group VAT registration scheme, involving certain group undertakings. As such the Company is jointly and severally liable for the amounts owed by the other companies at the balance sheet date. At 31 December 2022 this amounted to £15,483 (2021: £Nil). As at 31 December 2022, £Nil (2021: £16,643) VAT was refundable to the group.

Certain loan balances outstanding in the immediate parent undertaking, European Investments (Cornwall) Limited are secured by a fixed and floating charge over the assets of the subsidiary companies. At the balance sheet date, the maximum extent of the charge was £31,959,132 (2021: £34,255,095).

Certain loan balances outstanding in the senior parent undertaking, European Investments (Cornwall) Holding Limited are secured by a fixed and floating charge over the assets of the subsidiary companies. At the balance sheet date, the maximum extent of the charge was £4,616,231 (2021: £4,913,585).

East Langford Solar Limited

Notes to the Financial Statements for the Year Ended 31 December 2022

23 Parent and ultimate parent undertaking

The company's immediate parent is European Investments (Cornwall) Limited, incorporated in United Kingdom. The registered address is Beaufort Court, Egg Farm Lane, Off Station Road, Kings Langley, Hertfordshire, WD4 8LR. These financial statements are available upon request from Companies House.

The ultimate parent is The Renewables Infrastructure Group Limited, incorporated in Guernsey. The registered address, from which financial statements are available to the public, is East Wing, Trafalgar Court, Les Banques, St Peter Port, Guernsey.

The ultimate controlling party is The Renewables Infrastructure Group Limited and is owned by a number of investors with no one investor having individual control. The largest and smallest group which consolidates the results of the Company is European Investments (Cornwall) Holdings Limited.