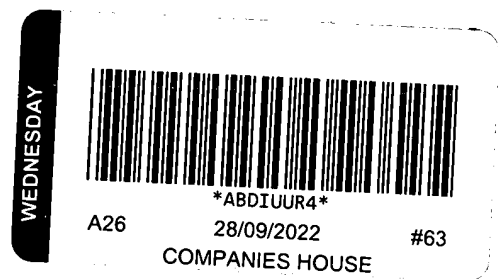


Registered number: 08572309

MTS Spittleborough Solar Limited

**Directors' report and financial statements
for the year ended 31 December 2021**



MTS Spittleborough Solar Limited

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MTS Spittleborough Solar Limited

Company information

Directors	L G Halstead H P Manisty T J Rosser
Company secretary	Octopus Company Secretarial Services Limited
Registered number	08572309
Registered office	6th Floor 33 Holborn London England EC1N 2HT
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ

MTS Spittleborough Solar Limited

Directors' report for the year ended 31 December 2021

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

Principal activities

The company is a wholly owned subsidiary of which the principal activities are that of construction and operation of solar plants and the generation of solar power.

Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the effects of COVID-19 on the company's ability to meet its liabilities as they fall due, and determined that based on recent trading of the company and revised projections, the pandemic is not expected to have a significant impact on the company's business. Further, the ultimate controlling party, Bracken Trading Limited, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible impacts of COVID-19.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise indicated, are given below:

L G Halstead (appointed 21 April 2021)

P S Latham (resigned 19 April 2021)

H P Manisty (appointed 21 April 2021)

T J Rosser

K A Shenton (resigned 15 April 2021)

Prior year restatement

The accounts have been restated to incorporate the impact of invoices which had not been recorded in the prior period. The adjustment has resulted in a £11,860 increase in administrative expenses during 2020, with the corresponding amounts increasing creditors falling due within one year. See note 13 for further details.

Statement of 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 year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). 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;
- state whether applicable United Kingdom Accounting Standards, comprising the FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

MTS Spittleborough Solar Limited

Directors' report (continued) for the year ended 31 December 2021

Statement of directors' responsibilities (continued)

The directors 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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement of disclosure of information to auditors

Each of the persons who are directors at the time of approval of this report has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

The auditors will be appointed in accordance with section 485 of the Companies Act 2006.

Small company exemption

In preparing this report, the directors have taken advantage of the small company exemptions provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small company exemptions provided by section 414B of the Companies Act 2006 and have not prepared a strategic report.

This report was approved by the board on

23 September 2022 and signed on its behalf by:



L G Halstead
Director

Independent auditors' report to the members of MTS Spittleborough Solar Limited

Report on the audit of the financial statements

Opinion

In our opinion, MTS Spittleborough Solar Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2021; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Independent auditors' report to the members of MTS Spittleborough Solar Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

Independent auditors' report to the members of MTS Spittleborough Solar Limited (continued)

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006 and relevant tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial reporting and management bias within accounting estimates. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of fraud, litigation claims or non-compliance with laws and regulations;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- obtaining supporting audit evidence for the significant assumptions made by management in determining significant estimates and judgements;
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations; and
- reviewing minutes of meetings of those charged with governance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Independent auditors' report to the members of MTS Spittleborough Solar Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Nicholas Cook (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
23 September 2022

MTS Spittleborough Solar Limited

Statement of comprehensive income for the year ended 31 December 2021

	2021 £	As restated 2020 £
Turnover	1,238,283	866,010
Cost of sales	(835,563)	(800,511)
Gross profit	402,720	65,499
Administrative expenses	(8,805)	(233,038)
Other operating income	-	75,059
Operating profit/(loss)	393,915	(92,480)
Interest receivable and similar income	-	1
Interest payable and similar charges	(717,824)	(703,482)
Loss on ordinary activities before taxation	(323,909)	(795,961)
Tax on loss on ordinary activities	-	-
Loss for the financial year	(323,909)	(795,961)

All amounts above relate to continuing operations.

Details of the prior year restatement can be found in note 13.

The notes on pages 11 to 18 form part of these financial statements.

MTS Spittleborough Solar Limited

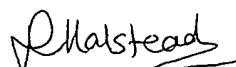
Registered number: 08572309

Balance sheet as at 31 December 2021

	Note	2021 £	2021 £	As restated 2020 £	As restated 2020 £
Fixed assets					
Tangible fixed assets	5		7,384,947		7,661,300
Current assets					
Debtors	6	340,786		125,430	
Cash at bank and in hand		909,589		568,725	
		<u>1,250,375</u>		<u>694,155</u>	
Creditors: amounts falling due within one year	7	(11,653,413)		(11,049,637)	
Net current liabilities			(10,403,038)		(10,355,482)
Net liabilities			<u>(3,018,091)</u>		<u>(2,694,182)</u>
Capital and reserves					
Called up share capital	8		100		100
Capital redemption reserve			699,445		699,445
Accumulated loss			(3,717,636)		(3,393,727)
Total shareholders' deficit			<u>(3,018,091)</u>		<u>(2,694,182)</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" as amended by Section 1A "Small Entities".

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 23 September 2022.



L G Halstead
Director

The notes on pages 11 to 18 form part of these financial statements.

MTS Spittleborough Solar Limited

Statement of changes in equity for the year ended 31 December 2021

	Called up share capital	Capital redemption reserve	Accumulated loss	Total shareholders' deficit
	£	£	£	£
At 1 January 2020	100	699,445	(2,597,766)	(1,898,221)
Loss for the year	-	-	(795,961)	(795,961)
At 1 January 2021 (as previously stated)	100	699,445	(3,381,867)	(2,682,322)
Prior year adjustment	-	-	(11,860)	(11,860)
At 1 January 2021 (as restated)	100	699,445	(3,393,727)	(2,694,182)
Loss for the year	-	-	(323,909)	(323,909)
At 31 December 2021	100	699,445	(3,717,636)	(3,018,091)

The notes on pages 11 to 18 form part of these financial statements.

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2021

1. General information

MTS Spittleborough Solar Limited is a private company, limited by shares, incorporated in and domiciled in England, the United Kingdom, registered number: 08572309. The registered office is 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The company is a wholly owned subsidiary of which the principal activities are that of construction and operation of solar plants and the generation of solar power.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders. The company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

2.3 Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate as the ultimate controlling party, Bracken Trading Limited, will continue to support the operations of the company for a period of at least 12 months from the date on which the financial statements are approved.

In light of the COVID-19 pandemic, the directors of the ultimate controlling party, Bracken Trading Limited, have performed an assessment to determine whether there are any material uncertainties arising that could cast significant doubt on its ability to continue to support the company. This assessment, which included stress testing the Group's cashflow forecasts and revenue generation, did not highlight any concern over Bracken Trading Limited's ability to provide continued support. Further information can be in Bracken Trading Limited's consolidated financial statements, which can be obtained from the Company Secretary, 6th Floor, 33 Holborn, London, EC1N 2HT.

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.4 Revenue

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

Revenue is derived from the electricity generated by solar farms and is recognised on an accruals basis in the period in which it is generated.

2.5 Foreign currency

(i) *Functional and presentation currency*

The company's functional and presentation currency is the pound sterling.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income within administrative expenses.

2.6 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Tangible fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the statement of comprehensive income. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Long-term leasehold property	- 4% straight-line
Plant and machinery	- 4% and 10% straight-line

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.7 Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

2.8 Operating leases

Rentals under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

2.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost and amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.9 Financial instruments (continued)

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.10 Hedge accounting

The company uses foreign currency forward contracts in order to manage its exposure to cash flow risk on its financial instruments. These derivatives are measured at fair value at each reporting date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the period.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the period. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2021

2. Accounting policies (continued)

2.11 Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences 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.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

2.12 Related party transactions

The company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.13 Contingent liabilities

Contingent liabilities, arising as a result of past events, are not recognised when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resource is remote.

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2021

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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.

Critical accounting estimates, assumptions and judgements in applying the entity's accounting policies

i. Decommissioning provisions

The Company has made a critical judgement with respect to the contingent liability in relation to decommissioning provisions at the operational solar sites.

The company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. The directors believe that given the nature of the assets, the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets and as such the directors do not believe that an outflow is probable to settle this restoration obligation. The directors will continue to monitor the situation at each balance sheet date.

4. Employees and directors' remuneration

The company had no employees during the year (2020: none). The directors did not receive or waive any remuneration (2020: £nil).

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2021 and 31 December 2021	95,100	10,737,166	10,832,266
Additions	-	203,845	203,845
At 31 December 2021	95,100	10,941,011	11,036,111
Accumulated depreciation			
At 1 January 2021	24,079	3,146,887	3,170,966
Charge for the year	3,658	476,540	480,198
At 31 December 2021	27,737	3,623,427	3,651,164
Net book value			
At 31 December 2021	67,363	7,317,584	7,384,947
At 31 December 2020	71,021	7,590,279	7,661,300

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2021

6. Debtors

	2021 £	2020 £
Trade debtors	58,176	2,703
Prepayments and accrued income	282,610	122,727
	<u>340,786</u>	<u>125,430</u>

7. Creditors: amounts falling due within one year

	2021 £	As restated 2020 £
Trade creditors	31,614	11,860
Amounts owed to group undertakings	10,824,829	10,644,801
Other creditors	103,348	108,716
Accruals and deferred income	693,622	284,260
	<u>11,653,413</u>	<u>11,049,637</u>

Included within amounts owed to group undertakings are unsecured loans with year end balances totalling £10,824,829 (2020: £10,644,801). The loans bear interest at 6.7% (2020: 6.7%) and are repayable on demand.

Details of the prior year restatement can be found in note 13.

8. Called up share capital

	2021 £	2020 £
Allotted, called up and fully paid		
10,000 (2020: 10,000) Ordinary shares of £0.01	<u>100</u>	<u>100</u>

9. Contingent liabilities

The company has a constructive obligation to return the land on which solar sites are built to its original condition, at the end of the lease. The directors believe that given the nature of the assets, the lessor may wish to either take title of the assets for either continued use or to realise value through selling the assets and as such the directors do not believe that an outflow is probable to settle this restoration obligation. The directors will continue to monitor this situation at each balance sheet date.

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2021

10. Operating lease commitments

At 31 December the company had future minimum lease payments under non-cancelable operating leases as follows:

	2021 £	2020 £
Expiry date:		
Not later than one year	57,234	53,853
Later than one year and not later than five years	228,936	215,412
Later than five years	744,046	753,936
	<u>1,030,216</u>	<u>1,023,201</u>

11. Related party transactions

The company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that at 31 December 2021 it was a wholly owned subsidiary.

12. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Belenus Energy Limited, a company incorporated in England.

The company's ultimate parent undertaking is Bracken Trading Limited, a company incorporated in England. Bracken Trading Limited is the smallest and largest group of undertakings to consolidate these financial statements. Copies of Bracken Trading Limited consolidated financial statements can be obtained from the Company Secretary, 6th Floor, 33 Holborn, London, England, EC1N 2HT.

There is no ultimate controlling party.

13. Prior year adjustment

The accounts have been restated to incorporate the impact of invoices which had not been recorded in the prior period. The adjustment has resulted in a £11,860 increase in administrative expenses during 2020, with the corresponding amounts increasing creditors falling due within one year. A summary of the impact of the prior period adjustments is provided below:

	Year ended 31 December 2020 (as stated) £	Adjustment £	Year ended 31 December 2020 (restated) £
Administrative expenses (SOCl)	221,178	11,860	233,038
Creditors: amounts falling due within one year (SOFp)	11,037,777	11,860	11,049,637