Registered number: 08572309

MTS Spittleborough Solar Limited

Annual report and financial statements
for the year ended 31 December 2022

MTS Spittleborough Solar Limited

Contents

MTS Spittleborough Solar Limited

Company information

Directors	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	Ernst & Young LLP Chartered Accountants and Statutory Auditors Bedford House 16 Bedford House Belfast BT2 7DT

MTS Spittleborough Solar Limited

Directors' report
for the year ended 31 December 2022

The directors present their report and the audited financial statements of MTS Spittleborough Solar Limited (the "Company") for the year ended 31 December 2022.

Principal activities

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

Results

The profit for the year amounted to £771,679 (2021: loss of £323,909) and at the year end the Company had net liabilities of £2,246,412 (2021: £3,018,091).

Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due, including a review of the effect of the ongoing Ukraine-Russia conflict, together with turmoil from fluctuations in commodity prices and foreign exchange rates, which have adversely impacted global economies, driving a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the Company and revised projections, the above events are not expected to have a detrimental impact on the Company's business. Further, the ultimate controlling party, Bracken Trading Limited, will continue to support the operations of the Company and make funds available to the Company to enable it to meet its current liabilities arising as they fall due 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 negative impact of these events.

Directors of the Company

The directors who served during the financial year ended 31 December 2022 and up to the date of signing the financial statements, unless otherwise indicated, are given below:

L G Halstead (resigned on 29 August 2023)
H P Manisty
T J Rosser

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

MTS Spittleborough Solar Limited

Directors' report
for the year ended 31 December 2022 (continued)

Statement of directors' responsibilities in respect of the financial statements

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). The financial statements are required by law to 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 judgments 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;
- 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 proper accounting records that 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 1985. 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.

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

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 they is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have 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

Ernst & Young LLP were appointed as auditors to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be appointed will be passed as a written members' resolution.

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.

MTS Spittleborough Solar Limited

Directors' report
for the year ended 31 December 2022 (continued)

Events since Balance sheet date

There have been no material adjusting or disclosable events since the financial year end.

This report was approved by the board on ....21/09/2023........... and signed on its behalf:

....

T J Rosser
Director

MTS Spittleborough Solar Limited

Independent Auditors' Report to the members of MTS Spittleborough Solar Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of MTS Spittleborough Solar Limited for the year ended 31 December 2022 which comprise Statement of comprehensive income, Balance sheet, Statement of changes in equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion,the financial statements:

- give a true and fair view 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

MTS Spittleborough Solar Limited

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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.

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 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.

Explanation as to what extent 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 irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to reporting framework (FRS 102 and Companies Act 2006) and relevant direct and indirect tax compliance regulation in the United Kingdom. In addition, we conclude that there are significant laws and regulations that may have an indirect effect on the determination of the amount and disclosure in the financial statements, these are those laws and regulations relating to employee matters, health and safety, environment, and bribery and corruption practice.
- We understood how MTS Spittleborough Solar Limited is complying with those frameworks by making enquiries of senior management, those charged with governance and those responsible for legal and compliance procedures. We corroborated our enquiries through review of the following documentation or performance of the following procedures:
  - obtaining an understanding of entity-level controls and considering the influence of the control environment;
  - obtaining an understanding of policies and procedures in place regarding compliance with laws and regulations, including how compliance with such policies is monitored and enforced; obtaining an understanding of management's process for identifying and responding to fraud risks, including programs and controls established to address risks identified, or otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls;
  - Review of board meeting minutes in the period and to date of signing.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by holding a discussion within the audit team which included identification of related parties, understanding the Company's business, the control environment and assessing the inherent risk for relevant assertions at the significant account level. We also held discussions with management to gain an understanding of those areas of the financial statements which were susceptible to fraud, as identified by management. We then considered the controls that the Company established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the Company applies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing of journal entries through journal analytics tools, with focus on manual journals, large or unusual transactions, or journals meeting our defined risk criteria based on our understanding of the business; tested accounting estimates for evidence of management bias; enquiring of members of senior management and those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements; and inspecting correspondence, if any, with the relevant licensing or regulatory authorities.

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

Use of our report

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

Ernst & Young LLP

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Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast
Date: 27 September 2023

MTS Spittleborough Solar Limited

Statement of comprehensive income for the year ended 31 December 2022

	2022 £	2021 £
Turnover	**2,374,939**	1,238,283
Cost of sales	**(995,017)**	(835,563)
Gross profit	**1,379,922**	402,720
Administrative expenses	**(13,259)**	(8,805)
Operating profit	**1,366,663**	393,915
Interest payable and similar expenses	**(726,307)**	(717,824)
Profit/(loss) before taxation	**640,356**	(323,909)
Taxation	**131,323**	-
Profit/(loss) for the financial year	**771,679**	(323,909)

All activities of the Company are from continuing operations.

The Company has no items of other comprehensive income for the current or preceding financial year. Therefore, no separate statement of other comprehensive income has been presented.

The notes on pages 11 to 17 form an integral part of these financial statements.

MTS Spittleborough Solar Limited
Registered number: 08572309

Balance sheet
as at 31 December 2022

	Note		2022 £		2021 £
Fixed assets					
Tangible fixed assets	5		7,269,031		7,384,947
Current assets					
Debtors: amounts falling due within one year	6	347,704		340,786	
Cash at bank and in hand		759,005		909,589	
		1,106,709		1,250,375	
Creditors: amounts falling due within one year	7	(10,622,152)		(11,653,413)	
Net current liabilities			(9,515,443)		(10,403,038)
Total assets less current liabilities			(2,246,412)		(3,018,091)
Net liabilities			(2,246,412)		(3,018,091)
Capital and reserves					
Called-up share capital	8		100		100
Capital redemption reserve			699,445		699,445
Accumulated losses			(2,945,957)		(3,717,636)
Total shareholders' deficit			(2,246,412)		(3,018,091)

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 21/09/2023

T J Rosser
Director

The notes on pages 11 to 17 form an integral part of these financial statements.

MTS Spittleborough Solar Limited

Statement of changes in equity
for the year ended 31 December 2022

	Called-up share capital	Capital redemption reserve	Accumulated losses	Total shareholders' deficit
	£	£	£	£
At 1 January 2021	100	699,445	(3,393,727)	(2,694,182)
Loss for the financial year	-	-	(323,909)	(323,909)
At 31 December 2021 and 1 January 2022	100	699,445	(3,717,636)	(3,018,091)
Profit for the financial year	-	-	771,679	771,679
At 31 December 2022	100	699,445	(2,945,957)	(2,246,412)

The notes on pages 11 to 17 form an integral part of these financial statements.

1. General information

MTS Spittleborough Solar Limited is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom, registered number 08572309. The registered office is at 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 except for financial instruments which are held at fair value and in accordance with section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 102 1A requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's accounting policies (see note 3).

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

The following principal accounting policies have been applied:

2.2 Exemptions for qualifying entities under FRS 102

The Company is a qualifying entity for the purposes of FRS 102, being a member of a Group where the parent of that Group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows, on the basis that it is a qualifying entity and its ultimate parent company, Bracken Trading Limited, includes the Company's cash flow in its own consolidated financial statements;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d), on the basis that it is a qualifying entity and its ultimate parent company, Bracken Trading Limited, includes the Company's cash flow in its own consolidated financial statements;
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c), as the information is provided in the consolidated financial statements of Bracken Trading Limited;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statements of Bracken Trading Limited;
- the requirements of Section 33 Related Party Disclosures paragraphs 33.1A and 33.7 as at 31 December 2022 it was a wholly owned subsidiary.

This information is included in the consolidated financial statements of Bracken Trading Limited as at 31 December 2022 and these financial statements may be obtained from the Company Secretary at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due, including a review of the effect of the ongoing Ukraine-Russia conflict, together with turmoil from fluctuations in commodity prices and foreign exchange rates, which have adversely impacted global economies, driving a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the Company and revised projections, the above events are not expected to have a detrimental impact on the Company's business. The Company is currently in net current liabilities position of £9,515,443 (2021: £10,403,038) and net liabilities position of £2,246,412 (2021: £3,018,091) at year end. Further, the ultimate controlling party, Bracken Trading Limited, will continue to support the operations of the Company and make funds available to the Company to enable it to meet its current liabilities arising as they fall due 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 negative impact of these events.

2.4 Turnover

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 comprises income receivable from energy generated during the year (PPAs) and the sale of renewable obligation certificates (ROCs) issued to renewable electricity generators. Any un-invoiced income is accrued for in the month it was generated.

Revenue is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Interest expense

Interest expense is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument to its net carrying amount.

2.6 Tangible assets

Tangible 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 and an estimate of the costs of dismantling and removing the item, and restoring the site if required.

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.

2. Accounting policies (continued)

2.6 Tangible assets (continued)

Tangible assets are derecognised at the earliest of the date of disposal or at the point which 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

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 Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of comprehensive income, 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.

2. Accounting policies (continued)

2.9 Taxation (continued)

(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.

2.10 Financial instruments

(i) Financial assets

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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows 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.

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.

2. **Accounting policies (continued)**

2.10 Financial instruments (continued)

(ii) Financial liabilities

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the Balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the Statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

2.11 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.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following is the Company's key source of estimation uncertainty:

ROC Recycle Estimate

The Company establishes accrued income in respect of the ROC recycle based on production for the period and apply externally available best estimates for the expected ROC recycle price for the period which is outstanding. Any difference between the estimate and the actual ROC recycle price is taken as revenue in the period in which the ROC recycle price is confirmed. The carrying amount of accrued ROC recycle income based on a forecast price as at end of the reporting period, which is included within prepayments and accrued income in note 6, is £62,398 (2021: £ 65,559).

4. **Employees**

The Company had no employees during the year (2021: none). The directors did not receive or waive any remuneration (2021: £nil).

MTS Spittleborough Solar Limited

Notes to the financial statements for the year ended 31 December 2022 (continued)

5. Tangible assets

	Long-term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 January 2022	95,100	10,941,011	11,036,111
Additions	2,000	396,733	398,733
At 31 December 2022	97,100	11,337,744	11,434,844
Accumulated Depreciation			
At 1 January 2022	27,737	3,623,427	3,651,164
Charge during the financial year	3,697	510,952	514,649
At 31 December 2022	31,434	4,134,379	4,165,813
Net book value			
At 31 December 2022	65,666	7,203,365	7,269,031
At 31 December 2021	67,363	7,317,584	7,384,947

6. Debtors: amounts falling due within one year

	2022 £	2021 £
Trade debtors	8,107	58,176
Corporation tax receivable	131,323	-
Prepayments and accrued income	208,274	282,610
	347,704	340,786

7. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	97	31,614
Amounts owed to group undertakings	10,186,110	10,824,829
Accruals and deferred income	299,905	693,622
Other creditors	136,040	103,348
	10,622,152	11,653,413

Amounts owed to group undertakings are unsecured loans with year end balances totalling £10,186,110 (2021: £10,824,829). The loans bear interest at 6.7% (2021: 6.7%) and are repayable on demand.

MTS Spittleborough Solar Limited

Notes to the financial statements
for the year ended 31 December 2022 (continued)

8. Called up share capital

	2022	2021
Allotted, called up and fully paid	**£**	£
10,000 (2021: 10,000) Ordinary shares of £0.01 each	**100**	100

9. Operating lease commitments

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

	2022	2021
Expiry date:	**£**	£
Not later than one year	**65,506**	57,234
Later than one year and not later than five years	**262,024**	228,936
Later than five years	**786,068**	744,046
	1,113,598	1,030,216

10. 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 2022 it was a wholly owned subsidiary.

11. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Belenus Energy Limited, a company incorporated in England, the United Kingdom.

The ultimate parent undertaking is Bracken Trading Limited, a company incorporated in England, the United Kingdom. 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 at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

There is no ultimate controlling party.

12. Events since Balance sheet date

There have been no material adjusting or disclosable events since the financial year end.