

Registered number 08735257

**H7 ENERGY LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**H7 ENERGY LIMITED**

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## **H7 ENERGY LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	A G Paul J Lingard O J Fricot
<b>Registered number</b>	08735257
<b>Registered office</b>	7th Floor 33 Holborn London EC1N 2HU
<b>Bankers</b>	Royal Bank of Scotland 280 Bishopsgate London EC2M 4RB

## H7 ENERGY LIMITED

### DIRECTORS' REPORT

#### FOR THE YEAR ENDED 31 DECEMBER 2022

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The Directors present their annual report and financial statements for the year ended 31 December 2022.

#### Principal activities

The principal activities of the Company are the construction and operation of a solar plant and the generation of solar power. The primary focus and business activities of the Company are not expected to change.

#### Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

K A P Boutonnat	(Resigned 10 June 2022)
I D Hardie	(Resigned 20 June 2022)
P McCartie	(Resigned 10 June 2022)
A G Paul	(Appointed 17 May 2022)
J Lingard	(Appointed 17 May 2022)
O J Fricot	(Appointed 17 May 2022)

#### Going concern

At the date of signing these financial statements, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Qualifying third party indemnity provisions

As permitted by the articles of association of Lightsource bp Renewable Energy Investments Limited ("LS bp") - the ultimate parent undertaking and controlling party of the Company - any Director of the Company who is also a Director of LS bp have had 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 year covered by these financial statements and is currently in force.

#### 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 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 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.

The Directors are 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 also 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.

## **H7 ENERGY LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2022***

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##### **Small company exemption**

In preparing this report, the Directors have taken advantage of the small companies' 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.

Approved and signed on behalf of the directors

*Olivier Fricot*

.....  
Olivier Fricot

**Director**

29 September 2023  
Date: .....

**H7 ENERGY LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Turnover		669,073	566,856
Cost of sales		(291,433)	(280,322)
<b>Gross profit</b>		<b>377,640</b>	<b>286,534</b>
Administrative (expenses)/income		(7,635)	3,623,588
Other operating income		-	6,210
<b>Operating profit</b>	<b>4</b>	<b>370,005</b>	<b>3,916,332</b>
Interest payable and similar expenses	<b>6</b>	(305,028)	(300,102)
<b>Profit before taxation</b>		<b>64,977</b>	<b>3,616,230</b>
Tax on profit		(58,288)	(297,341)
<b>Profit for the financial year</b>		<b>6,689</b>	<b>3,318,889</b>

All results relate to continuing activities.

There are no other items of other comprehensive income for the current year or prior year. Therefore, no separate statement of other comprehensive income has been prepared.

*The accompanying notes on pages 7 - 16 form an integral part of the financial statements.*

**H7 ENERGY LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	7	4,334,548		3,760,730	
Investments	8	1		1	
		<u>4,334,549</u>		<u>3,760,731</u>	
<b>Current assets</b>					
Debtors	9	116,700		195,417	
Cash at bank and in hand		187,229		220,762	
		<u>303,929</u>		<u>416,179</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(4,405,529)</u>		<u>(4,438,934)</u>	
<b>Net current liabilities</b>			<u>(4,101,600)</u>		<u>(4,022,755)</u>
<b>Total assets less current liabilities</b>			232,949		(262,024)
<b>Provision for liabilities</b>	12		<u>(488,284)</u>		-
<b>Net liabilities</b>			<u>(255,335)</u>		<u>(262,024)</u>
<b>Capital and reserves</b>					
Called up share capital	13		1		1
Accumulated losses			<u>(255,336)</u>		<u>(262,025)</u>
<b>Total shareholders' deficit</b>			<u>(255,335)</u>		<u>(262,024)</u>

For the financial year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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 Directors acknowledge their responsibility for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts, and that the members have not required the Company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006.

The financial statements on pages 4 to 16 were approved by the Board of Directors and authorised for issue on 29/09/2023..... and are signed on its behalf by:

..... *Olivier Fricot*

**Director** Olivier Fricot

**Registered number 08735257**

**H7 ENERGY LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Called up share capital</b>	<b>Accumulated losses</b>	<b>Total shareholders' deficit</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance at 1 January 2021</b>	<b>1</b>	<b>(3,580,914)</b>	<b>(3,580,913)</b>
<b>Year ended 31 December 2021:</b>			
Profit for the financial year	-	3,318,889	3,318,889
<b>Balance at 31 December 2021</b>	<b>1</b>	<b>(262,025)</b>	<b>(262,024)</b>
<b>Year ended 31 December 2022:</b>			
Profit for the financial year	-	6,689	6,689
<b>Balance at 31 December 2022</b>	<b>1</b>	<b>(255,336)</b>	<b>(255,335)</b>

*The accompanying notes on pages 7 - 16 form an integral part of the financial statements.*



# **H7 ENERGY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 General information**

H7 Energy Limited is a private company limited by shares incorporated and domiciled in England in the United Kingdom (registered number 08735257). The address of the registered office is 7th Floor, 33 Holborn, London, EC1N 2HU.

The principal activities of the Company are the construction and operation of a solar plant and the generation of solar power. The primary focus and business activities of the Company are not expected to change.

### **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### **2.1 Basis of preparation**

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. Critical estimates and judgements have been applied to these financial statements and are summarised in note 3.

FRS 102 allows certain disclosure exemptions for qualifying entities, 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.

#### **2.2 Basis of consolidation**

These financial statements contain information about the Company as an individual and do not contain consolidated financial information as the parent undertaking of a group. The Company is exempt under the special provisions of section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

#### **2.3 Going concern**

At the date of signing these financial statements, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

## H7 ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

#### 2 Summary of significant accounting policies

(Continued)

##### 2.4 Foreign exchange

###### *(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 Profit and Loss Account within administrative expenses.

##### 2.5 Revenue recognition

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. The following criteria must also be met before revenue is recognised:

###### **Sale of goods**

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- 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

##### 2.6 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. 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 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 Profit and Loss Account. 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:

Plant and machinery

10 and 35 years straight line

##### 2.7 Investments

Investments held as fixed assets are shown at cost less provision for impairment losses.

# H7 ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

## 2 Summary of significant accounting policies

(Continued)

### 2.8 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 Profit and Loss Account, 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 Profit and Loss Account.

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 Profit and Loss Account.

### 2.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current 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 Profit and Loss Account. 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.

The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

### 2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.11 Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank and shareholder loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## **H7 ENERGY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

#### **FOR THE YEAR ENDED 31 DECEMBER 2022**

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## **2 Summary of significant accounting policies**

**(Continued)**

### **2.12 Interest receivable and payable**

Interest is recognised by applying the effective interest rate. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the debt instrument to the net carrying amount on initial recognition.

### **2.13 Distributions to equity holders**

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

### **2.14 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Profit and Loss Account, 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.

#### **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.

#### **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.

### **2.15 Decommissioning provision**

Liabilities for decommissioning costs are recognised when the Company has an obligation to dismantle and remove the Solar PV equipment and restore the land on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements. A corresponding tangible item of property, plant and equipment equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure are added or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

# H7 ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

## 2 Summary of significant accounting policies

(Continued)

### 2.16 Leases

#### **Hire Purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **Operating leases**

Rentals under operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term.

### 2.17 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.

### 2.18 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.

### 2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## 3 Judgements 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.

### **(a) Critical judgements in applying the entity's accounting policies**

#### *(i) Impairment of tangible assets*

The Company makes an estimate of the recoverable value of tangible assets. See note 2.8 for details. See note 7 for the net carrying amount of tangible assets.

### **(b) Critical accounting estimates**

#### *(i) Measurement of decommissioning costs*

As part of the measurement and recognition of assets and liabilities, the Company has recognised a provision for decommissioning obligations associated with the solar parks. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected cost to dismantle and remove the plant from the site, the expected timing of these costs, and the discount rate. The decommissioning provision is revalued annually following a review of the present value of the estimated future expenditure. In determining the present value of the estimated future costs, the following assumptions were used:

## H7 ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2022

#### 3 Judgements and key sources of estimation uncertainty

(Continued)

##### Expected cost to dismantle and remove the plant from the site

An estimated dismantling cost of £113,184 per MWh was used in assessing the present value of the estimated future expenditure. The cost has been assessed by an external evaluator and reflects the current market conditions. If the MWh dismantling cost was to change by +/-5% the provision would change by +/-£24,414.

##### Inflation

Inflation of 3.2% was used in assessing the present value of the estimated future expenditure. Inflation has been calculated using market data obtained from external specialists. If inflation were to change by +/-0.5%, then the impact on the present value of the estimated future expenditure would be +£71,238/-£62,450.

##### Discount rate

A discount rate of 4.0% was used in assessing the present value of the estimated future expenditure. The discount rate has been calculated based on inflation. If the discount rate were to change by +/-0.5%, then the impact on the present value of the estimated future expenditure would be -£61,885/+£71,233.

##### Expected timing

The expected timing of the costs has been determined as the remaining useful life of the assets. This is approximately 30 years.

Any changes in the present value of the estimated expenditure are added or deducted from the costs of the related decommissioning asset. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

#### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	161,053	158,182
Reversal of past impairment of tangible fixed assets	-	(1,840,715)
	<u>161,053</u>	<u>(1,682,533)</u>

#### 5 Employees

The Company has no employees other than the Directors. The Directors' remuneration was borne by another group entity (2021: £nil). Their services to this Company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent company. Accordingly, the above details include no remuneration in respect of the Directors.

#### 6 Interest payable and similar expenses

	2022	2021
	£	£
Shareholder loan interest payable	304,984	300,003
Bank charges	44	99
	<u>305,028</u>	<u>300,102</u>

**H7 ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****7 Tangible assets**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 January 2022	4,960,333
Additions	246,587
Other movement	488,284
	<hr/>
At 31 December 2022	5,695,204
	<hr/>
<b>Depreciation</b>	
At 1 January 2022	1,199,603
Charge for the year	161,053
	<hr/>
At 31 December 2022	1,360,656
	<hr/>
<b>Carrying amount</b>	
At 31 December 2022	4,334,548
	<hr/> <hr/>
At 31 December 2021	3,760,730
	<hr/> <hr/>

The total value of fixed assets are held as a security against the bank debt of the parent company, Lightsource Pumbaa Limited.

Other movements relate to a change in the present value of the estimated decommissioning costs of the Solar PV equipment included within plant and machinery.

# H7 ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Investments

#### Movements in fixed asset investments

	Investment in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2022 & 31 December 2022	1
<b>Impairment</b>	
At 1 January 2022 & 31 December 2022	-
<b>Carrying amount</b>	
At 31 December 2022	1
At 31 December 2021	1

The Company owns 50% of the ordinary share capital of Wick Farm Grid Limited, registered address Woodwater House, Pynes Hill, Exeter, EX2 5WR.

### 9 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	15,718	14,662
Prepayments and accrued income	58,853	80,338
	<u>74,571</u>	<u>95,000</u>
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 10)	<u>42,129</u>	<u>100,417</u>
<b>Total debtors</b>	<u>116,700</u>	<u>195,417</u>

### 10 Deferred taxation

	2022 £
<b>Movements in the year:</b>	
Asset at 1 January 2022	100,417
Charge to profit or loss	(58,288)
Asset at 31 December 2022	<u>42,129</u>



**H7 ENERGY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****11 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	6,385	13,815
Amounts owed to group undertakings	4,095,359	4,275,029
Other taxation and social security	58,727	29,819
Accruals and deferred income	245,058	120,271
	<u>4,405,529</u>	<u>4,438,934</u>

Amounts owed to group undertakings are unsecured and repayable on demand. The loans bear interest at 7.5% (2021: 7.5%) and are repayable on demand.

**12 Provision for liabilities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Decommissioning provision	<u>488,284</u>	<u>-</u>

Movements on provisions:

	<b>Decommissioning provision</b>
	<b>£</b>
At 1 January 2022	-
Additional provisions in the year	<u>488,284</u>
At 31 December 2022	<u>488,284</u>

Any changes in the present value of the estimated expenditure are added to or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. There was no accretion expense on the decommissioning provision recognised in the current year.

Following a review of the present value of the estimated future expenditure, the discount rate is assessed annually against recent market data and adjusted accordingly through revaluation of the decommissioning asset and provision.

**13 Share capital**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1 (2021: 1) Ordinary share of £1	<u>1</u>	<u>1</u>

## H7 ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

#### 14 Contingent liabilities

There are obligations on the Company to remove the solar assets upon expiry of the contractual terms. In the event that no agreement is reached with the property owners to transfer ownership in lieu of any decommissioning obligations, it is the intention of the Directors to fulfil those obligations. At the balance sheet date, the Directors reassessed the accounting judgement and recognised a £0.5m (2021: £nil) decommissioning provision for this solar site, where it was determined that it is unlikely that the lessor will take title of the assets for either continued use or to realise value through selling the assets; as such the Directors believe that an outflow is probable to settle this restoration obligation.

Details of the decommissioning provision are disclosed in note 12.

#### 15 Operating lease commitments

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	30,076	28,535
Between two and five years	120,306	114,139
In over five years	408,036	415,655
	<u>558,418</u>	<u>558,329</u>

#### 16 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with fellow subsidiaries under common ownership. There are no other related party transactions noted in the year.

#### 17 Ultimate parent undertaking and controlling party

The immediate parent undertaking is Lightsource SPV 224 Limited. The smallest group to consolidate these financial statements is Lightsource Pumbaa Limited.

The ultimate parent undertaking and controlling party is Lightsource bp Renewable Energy Investments Limited, which is the largest group to consolidate these financial statements. Copies of Lightsource bp Renewable Energy Investments Limited consolidated financial statements can be obtained from the Company Secretary, 7th Floor, 33 Holborn, London, EC1N 2HU.