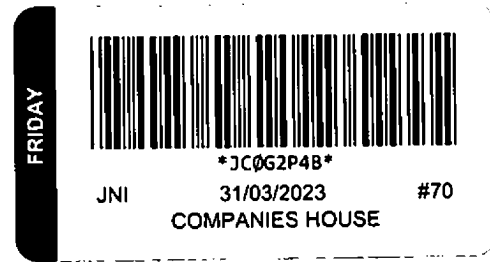


Company Registration No. 09629710 (England and Wales)



EASTON RENEWABLE ENERGY LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022**

PAGES FOR FILING WITH REGISTRAR

EASTON RENEWABLE ENERGY LIMITED**BALANCE SHEET****AS AT 30 JUNE 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	2	27,652,163		25,621,111	
Investments	3	238,793		1,588,793	
		<u>27,890,956</u>		<u>27,209,904</u>	
Current assets					
Debtors	4	3,891,021		2,673,985	
Cash at bank and in hand		330,408		95,049	
		<u>4,221,429</u>		<u>2,769,034</u>	
Creditors: amounts falling due within one year	5	<u>(2,519,490)</u>		<u>(898,691)</u>	
Net current assets		<u>1,701,939</u>		<u>1,870,343</u>	
Total assets less current liabilities		<u>29,592,895</u>		<u>29,080,247</u>	
Provisions for liabilities	6	<u>(2,244,782)</u>		<u>(2,315,786)</u>	
Net assets		<u><u>27,348,113</u></u>		<u><u>26,764,461</u></u>	
Capital and reserves					
Called up share capital	8	236,292		246,104	
Share premium account	9	23,667,585		24,759,162	
Revaluation reserve	10	6,871,107		5,949,593	
Profit and loss reserves	11	<u>(3,426,871)</u>		<u>(4,190,398)</u>	
Total equity		<u><u>27,348,113</u></u>		<u><u>26,764,461</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

EASTON RENEWABLE ENERGY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2022

The financial statements were approved by the board of directors and authorised for issue on 30/03/23 and are signed on its behalf by:



.....
Mr I Warwick
Director

EASTON RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies

Company information

Easton Renewable Energy Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Deepbridge House, Honeycomb East, Chester Business Park, Chester, United Kingdom, CH4 9QN.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover represents amounts receivable for the sale of electricity generated by wind turbines.

Revenue from the sale of energy from wind turbines is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at valuation, net of depreciation and any impairment losses.

A wind turbine is capitalised on initial purchase. Costs directly attributable to bring a wind turbine into operational use are capitalised once commissioning of the turbine has been confirmed. A wind turbine and its directly attributable costs are depreciated from the date that the wind turbine becomes operational.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	5% straight line
---------------------	------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Fixed asset investments

Interests in associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

EASTON RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other debtors and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Classification of 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs.

EASTON RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

1 Accounting policies (Continued)

Taxation

The tax expense represents the deferred tax expense.

Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

EASTON RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

2 Tangible fixed assets

	Plant and machinery etc £
Cost or valuation	
At 1 July 2021	25,621,111
Additions	905,500
Disposals	(1,869,849)
Revaluation	1,645,401
Transfers	1,350,000
	<u>27,652,163</u>
At 30 June 2022	<u>27,652,163</u>
Depreciation and impairment	
Depreciation charged in the year	1,024,726
Eliminated in respect of disposals	(29,369)
Revaluation	(995,357)
	<u>-</u>
At 30 June 2022	<u>-</u>
Carrying amount	
At 30 June 2022	<u>27,652,163</u>
At 30 June 2021	<u>25,621,111</u>

Plant and machinery with a carrying amount of £18,396,343 were revalued at 30 June 2022 by Deepbridge Capital LLP adopting the guidelines as set out in the RICS Valuation - Global Standards 2017, known as the 'Red Book'. Specifically the company has adopted the income approach to valuation, under the following circumstances:

- (a) the income-producing ability of the asset is deemed a critical element affecting value from a participant perspective; and
- (b) reasonable projections of the amount and timing of future income flows are available for the subject asset, but there are few, if any, relevant market comparatives.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2022 £	2021 £
Cost	20,494,034	19,447,249
Accumulated depreciation	(2,097,691)	(1,758,929)
Carrying value	<u>18,396,343</u>	<u>17,688,320</u>

The revaluation surplus is disclosed in note 10.

EASTON RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

3 Fixed asset investments

	2022 £	2021 £
Other investments other than loans	238,793	1,588,793

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 July 2021	1,588,793
Disposals	(1,350,000)
At 30 June 2022	238,793
Carrying amount	
At 30 June 2022	238,793
At 30 June 2021	1,588,793

4 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	161	-
Other debtors	3,890,860	2,673,985
	3,891,021	2,673,985

5 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,040,582	406,579
Taxation and social security	-	2,363
Other creditors	1,478,908	489,749
	2,519,490	898,691

6 Provisions for liabilities

	2022 £	2021 £
Deferred tax liabilities	2,244,782	2,315,786

EASTON RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

7 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	1,689,626	2,442,863
Tax losses	(2,088,232)	(2,110,275)
Revaluations	2,643,388	1,983,198
	<u>2,244,782</u>	<u>2,315,786</u>
		2022
Movements in the year:		£
Liability at 1 July 2021		2,315,786
Credit to profit or loss		(731,193)
Charge to equity		660,189
Liability at 30 June 2022		<u>2,244,782</u>

8 Called up share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of 1p each	200	200	2	2
Ordinary A Shares of 1p each	1,995,800	2,642,502	19,958	26,425
Ordinary B Shares of 1p each	21,633,240	21,967,694	216,332	219,677
	<u>23,629,240</u>	<u>24,610,396</u>	<u>236,292</u>	<u>246,104</u>

The Company's Ordinary shares carry full rights in the company with respect to voting, dividends and distributions. Ordinary A shares do not carry the right to vote at a general meeting of the company. Ordinary B shares do not carry the right to vote at a general meeting of the company and have no right to a dividend.

During the year 2,905,218 Ordinary B shares with a nominal value of £0.01 were issued for cash consideration of £3,242,522 and 3,239,672 Ordinary B shares with a nominal value of £0.01 were bought back and subsequently cancelled for cash consideration of £3,674,335. 646,702 Ordinary A shares with a nominal value of £0.01 were bought back and subsequently cancelled for cash consideration of £669,575.

EASTON RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

9 Share premium account

Share premium is the consideration received for shares issued above their nominal value net of transaction costs.

During the year 2,905,218 Ordinary B shares with a nominal value of £0.01 were issued for cash consideration of £3,242,522 resulting in an increase to the share premium account of £3,213,470 and 3,239,672 Ordinary B shares with a nominal value of £0.01 were bought back and subsequently cancelled for cash consideration of £3,674,335 resulting in a decrease to the share premium account of £3,641,938. 646,702 Ordinary A shares with a nominal value of £0.01 were bought back and subsequently cancelled for cash consideration of £669,575 resulting in a decrease to the share premium account of £663,108.

10 Revaluation reserve

	2022 £	2021 £
At the beginning of the year	5,949,593	-
Revaluation surplus arising in the year	2,640,758	7,932,791
Deferred tax on revaluation of tangible assets	(660,189)	(1,983,198)
Transfer to retained earnings	(1,059,055)	-
At the end of the year	<u>6,871,107</u>	<u>5,949,593</u>

The cumulative revaluation gains and losses in respect of plant and machinery.

11 Profit and loss reserves

Cumulative profit and loss net of distribution to owners.

12 Operating lease commitments

Lessee

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	56,350	-
Between one and five years	225,400	-
In over five years	3,586,259	-
	<u>3,868,009</u>	<u>-</u>

13 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022 £	2021 £
Acquisition of tangible fixed assets	<u>7,694,500</u>	<u>8,270,000</u>

EASTON RENEWABLE ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

14 Related party transactions

During the year ended 30 June 2022 Management Fees totaling £788,591 (2021 - £594,547) and Arrangement Fees totaling £160,908 (2021 - £100,557) were charged by an entity under common control. Also during the year, Custodian Fees totaling £136,024 (2021 - £128,720) were recharged by an entity under common control. Included in trade creditors is an amount of £nil (2021 - £398,691) owed to an entity under common control.

During the year ended 30 June 2022 the company borrowed £1,400,000 (2021: £750,000) from entities under common control and made repayments of £375,000 (2021: £375,000). The amount due to the related party at the year end is £1,400,000 (2021: £375,000) and is included within other creditors.

The company has a percentage interest in certain income generating assets and is entitled to its respective share of the EBITDA generated. Income of £1,064,852 (2021: £788,311) has been recognised in the year with amounts outstanding to the company from the related parties at 30 June 2022 of £3,179,990 (2021: £2,115,143).