

Unaudited Financial Statements
For The Year Ended 30 June 2023
for
Ernesettle Community Solar Limited

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For The Year Ended 30 June 2023

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Balance Sheet
30 June 2023

	Notes	30.6.23 £	£	30.6.22 £	£
FIXED ASSETS					
Tangible assets	4		2,612,800		2,817,809
CURRENT ASSETS					
Debtors	5	201,875		235,919	
Cash at bank		<u>907,262</u>		<u>729,514</u>	
		1,109,137		965,433	
CREDITORS					
Amounts falling due within one year	6	<u>353,416</u>		<u>337,150</u>	
NET CURRENT ASSETS			<u>755,721</u>		<u>628,283</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,368,521		3,446,092
CREDITORS					
Amounts falling due after more than one year	7		(2,842,359)		(3,054,020)
PROVISIONS FOR LIABILITIES	11		<u>(85,831)</u>		<u>(56,644)</u>
NET ASSETS			<u>440,331</u>		<u>335,428</u>
CAPITAL AND RESERVES					
Called up share capital			1		1
Shareholder loan capital contribution	12		429,276		429,276
Retained earnings			<u>11,054</u>		<u>(93,849)</u>
SHAREHOLDERS' FUNDS			<u>440,331</u>		<u>335,428</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 June 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Balance Sheet - continued
30 June 2023

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 27 October 2023 and were signed on its behalf by:

C J Penberthy - Director

L Richards - Director

Notes to the Financial Statements
For The Year Ended 30 June 2023

1. STATUTORY INFORMATION

Ernesettle Community Solar Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

Registered number: 09892557

Registered office: Plymouth City Council
Ballard House
West Hoe Road
Plymouth
Devon
PL1 3BJ

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net sales of electricity from units generated at the site and by selling back into the national grid at an agreed rate. Income is recognised on an accruals basis when the company first has right to the consideration.

Capital grant income has been deferred and released in accordance with the company's depreciation policy.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful economic life.

Plant and machinery - 5% straight line

Tangible fixed assets relate to the capital equipment and associated costs incurred to get the site ready and equipped with solar panels necessary to generate income.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Provisions

Provisions are recognised only when the outcome is unavoidable and can be reliably measured. They are recognised in the accounts as a non-tax deductible expense.

Notes to the Financial Statements - continued
For The Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

Long term loans below market rate

Long term loans received with an interest rate below market value have been discounted to present value at the market rate less the actual rate of interest. The amount discounted will be unwound over the term of the loan by way of an annual transfer between reserves.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 3 (2022 - 3) .

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 July 2022	
and 30 June 2023	<u>4,100,174</u>
DEPRECIATION	
At 1 July 2022	1,282,365
Charge for year	205,009
At 30 June 2023	<u>1,487,374</u>
NET BOOK VALUE	
At 30 June 2023	<u>2,612,800</u>
At 30 June 2022	<u>2,817,809</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.23 £	30.6.22 £
Trade debtors	-	29,627
Other debtors	201,875	206,292
	<u>201,875</u>	<u>235,919</u>

Included in other debtors is accrued income to the sum of £184,077 (2022: £175,473).

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.23 £	30.6.22 £
Trade creditors	23,226	6,892
Taxation and social security	891	-
Other creditors	329,299	330,258
	<u>353,416</u>	<u>337,150</u>

7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.23 £	30.6.22 £
Other creditors	<u>2,842,359</u>	<u>3,054,020</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Other loans more 5yrs instal	<u>1,841,162</u>	<u>2,071,030</u>

Notes to the Financial Statements - continued
For The Year Ended 30 June 2023

8. LOANS

Included in creditors are loans from PEC Renewables Limited, the parent company, at a value of £491,820 (2022: £537,765). Part of this is a 20 year loan received at below market rate and has been discounted by £429,276 (2022: £429,276) from the total amount repayable of £921,096 (2022:£967,041). The agreed market rate for the loan was 10% and actual interest is 6%. This discount is reflected in the equity as a capital contribution and will be unwound over the term of the loan.

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30.6.23	30.6.22
	£	£
Within one year	21,766	21,766
Between one and five years	87,064	87,064
In more than five years	261,192	282,958
	<u>370,022</u>	<u>391,788</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	30.6.23	30.6.22
	£	£
Plymouth City Council Loan	<u>2,589,493</u>	<u>2,751,135</u>

The loan is secured by way of a fixed charge over: the lease of the land, the solar project in its entirety, its present and future uncalled capital and goodwill (including the share capital), all present and future contracts or insurance policies and any other plant and machinery owned by the company.

In addition there is a floating charge on the debtors of the business, including any other interests it may own not previously recognised.

11. PROVISIONS FOR LIABILITIES

	30.6.23	30.6.22
	£	£
Deferred tax	19,187	-
Inverter replacement reserve	66,644	56,644
	<u>85,831</u>	<u>56,644</u>
	Deferred tax	Inverter reserve
	£	£
Balance at 1 July 2022	(12,189)	56,644
Provided during year	-	10,000
Reversal of accelerated capital allowances	(9,920)	-
Corporation tax losses utilised	36,691	-
Change in tax rate	4,605	-
Balance at 30 June 2023	<u>19,187</u>	<u>66,644</u>

The inverter replacement provision is for the cost of replacing the key component of the solar arrays across the site. This expenditure is compulsory for the site to remain operational.

Notes to the Financial Statements - continued
For The Year Ended 30 June 2023

12. **RESERVES**

**Shareholder
loan
capital
contribution
£**

At 1 July 2022
and 30 June 2023

429,276

13. **RELATED PARTY DISCLOSURES**

A separate loan existed between the company and PEC Renewables Limited. At the end of the period the fair value of the loan was £491,820 (2022:£537,765). This is a 20 year loan and has been discounted by £429,276 from the total repayments of £921,096 (2022:£967,041). Interest is chargeable on this loan at 6%.

Interest has been paid on the above loans to the sum of £53,035 (2022: £60,401).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.