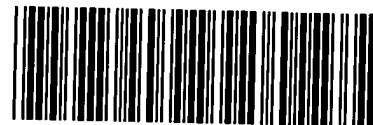


**REPORT OF THE DIRECTORS AND**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**  
**FOR**  
**ISLAY SM LIMITED**

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**ISLAY SM LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2022**

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**ISLAY SM LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

**Directors:** Pinecroft Corporate Services Limited  
G E Shaw

**Registered office:** C/O Foresight Group  
The Shard  
32 London Bridge Street  
London  
SE1 9SG

**Registered number:** 10074602 (England and Wales)

## **ISLAY SM LIMITED**

### **REPORT OF THE DIRECTORS** **FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

Through its wholly owned Spanish subsidiary, Islay Spain Solar S.L. ("Islay Spain"), Islay SM Limited ("the Company") successfully originated, developed, constructed and commissioned an operating ground mounted PV solar plant in Noves, Torrijos Norte, Toledo, Spain ("the Power Station").

The plant has operated well, earning significant revenues from the sale of solar generated electricity while benefitting from recent high electricity prices during the period.

Following an unsolicited approach in mid-2022 from a large international fund managed by an insurance group, the Company sold its subsidiary owning the plant in November 2022 as part of the portfolio of eleven solar plants acquired by the fund. In consequence, £5.2m was distributed to investors in the Company subsequent to the financial year end.

#### **Principal activity**

The generation and sale of solar electricity, principally through the origination, development, construction, commissioning and operation of ground mounted solar plants.

#### **Directors**

Pinecroft Corporate Services Limited has held office during the whole of the period from 1 January 2022 to the date of this report.

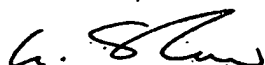
Other changes in directors holding office are as follows:

G E Shaw was appointed as a director after 31 December 2022, as of 14 February 2023.

Mrs A Rajdev ceased to be a director after 31 December 2022, as of 14 February 2023.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**On behalf of the board:**



.....

G E Shaw - Director

Date: 20<sup>th</sup> December 2023

**ISLAY SM LIMITED****INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	31.12.22 £	31.12.21 £
Turnover		-	-
Administrative expenses	4	<u>(116,046)</u>	<u>(111,906)</u>
		(116,046)	(111,906)
Realised foreign exchange gain/(loss)		<u>186,164</u>	<u>(35,745)</u>
Operating profit/(loss)		70,118	(147,651)
Transaction costs	5	(104,276)	-
Performance fees	5	(326,926)	-
Stamp Duty Land Tax	5	(25,787)	-
Profit on sale of investment	5	<u>1,592,300</u>	<u>-</u>
		1,205,429	(147,651)
Interest receivable		<u>215,707</u>	<u>229,096</u>
		1,421,136	81,445
Unrealised gain on revaluation of investments		<u>-</u>	<u>372,631</u>
		1,421,136	454,076
Interest payable		<u>(40,309)</u>	<u>(79,794)</u>
Profit before taxation		1,380,827	374,282
Tax on profit		<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>1,380,827</u></u>	<u><u>374,282</u></u>

The notes form part of these financial statements

**ISLAY SM LIMITED (REGISTERED NUMBER: 10074602)****BALANCE SHEET**  
**31 DECEMBER 2022**

	Notes	31.12.22 £	31.12.21 £
<b>Fixed assets</b>			
Tangible assets	6	-	3,150
Investments	7	-	4,442,344
		-	4,445,494
<b>Current assets</b>			
Debtors	8	42,669	505,159
Cash at bank		5,487,787	248,518
		5,530,456	753,677
<b>Creditors</b>			
Amounts falling due within one year	9	(374,719)	(342,137)
<b>Net current assets</b>		5,155,737	411,540
<b>Total assets less current liabilities</b>		5,155,737	4,857,034
<b>Creditors</b>			
Amounts falling due after more than one year	10	-	(1,082,124)
<b>Net assets</b>		5,155,737	3,774,910
<b>Capital and reserves</b>			
Called up share capital	11	42,764	42,764
Share premium	12	4,209,188	4,209,188
Retained earnings	12	903,785	(477,042)
<b>Shareholders' funds</b>		5,155,737	3,774,910

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 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.

The notes form part of these financial statements

**ISLAY SM LIMITED (REGISTERED NUMBER: 10074602)**

**BALANCE SHEET - continued**  
**31 DECEMBER 2022**

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

The financial statements were approved by the Board of Directors and authorised for issue on 20<sup>th</sup> December 2023 and were signed on its behalf by:



.....  
G E Shaw - Director

The notes form part of these financial statements

## **ISLAY SM LIMITED**

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

#### **1. Statutory information**

Islay SM Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

#### **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 as modified by the revaluation of certain assets.

##### **Investments through fair value of profit or loss**

The Company accounts for its investment in its wholly owned subsidiary, Islay Spain, as an investment at fair value through profit or loss. As such the Company has opted to produce these financial statements on an unconsolidated basis.

##### **Investments in subsidiaries**

During prior years and prior to sale, Islay Spain was valued using a discounted cashflow model adjusted for free cash. After receiving a binding offer, the Directors decided it was no longer appropriate to use a discounted cash flow model and to instead value the asset at net realisable value until the point of sale.

##### **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.

##### **Going concern**

The financial statements have not been prepared on a going concern basis, as the Company ceases to have a principal business activity. In the opinion of the Directors, the Company will no longer be operating 12 months beyond the signing date of these accounts. As such, these accounts were not prepared on a going concern basis.

#### **3. Employees and directors**

The average number of employees during the year was NIL (2021 - NIL).



**ISLAY SM LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022****4. Administrative Expenses**

	31.12.22	31.12.21
	£	£
Management fees	(86,874)	(85,281)
Director fees	(5,000)	(5,000)
Bank charges	-	(17)
Recharged expenses	(3,039)	(3,793)
Irrecoverable VAT	(17,983)	(17,815)
Written off balances	(3,150)	-
	<u>(116,046)</u>	<u>(111,906)</u>

**5. Exceptional items**

	31.12.22	31.12.21
	£	£
Performance fees	(326,926)	-
Transaction costs	(104,276)	-
Stamp Duty Land Tax	(25,787)	-
Profit on sale of investment	<u>1,592,300</u>	<u>-</u>
	<u>1,135,311</u>	<u>-</u>

The Company incurred £104,276 in transaction costs related to the sale of the Company's subsidiary in November 2022.

**6. Tangible fixed assets**

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2022	3,150
Impairments	<u>(3,150)</u>
<b>Net book value</b>	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>3,150</u>

**7. Fixed asset investments**

	31.12.22	31.12.21
	£	£
Shares in group undertakings	-	59,086
Loans to group undertakings	<u>-</u>	<u>4,383,258</u>
	<u>-</u>	<u>4,442,344</u>

**ISLAY SM LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2022****7. Fixed asset investments - continued**

Additional information is as follows:

	<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>	
At 1 January 2022	59,086
Disposals	<u>(59,086)</u>
At 31 December 2022	—
<b>Net book value</b>	
At 31 December 2022	<u>—</u>
At 31 December 2021	<u>59,086</u>

	<b>Loans to group undertakings £</b>
At 1 January 2022	4,383,258
Repayment in year	<u>(4,383,258)</u>
At 31 December 2022	<u>—</u>

On 16 November 2022, the Company disposed of its investment in Islay Spain. The consideration from the disposal was used to repay the outstanding shareholder loan and associated interest.

**8. Debtors: amounts falling due within one year**

	<b>31.12.22 £</b>	<b>31.12.21 £</b>
Deferred consideration	42,669	—
Interest Receivable	<u>—</u>	<u>505,159</u>
	<u>42,669</u>	<u>505,159</u>

As part of the sale of Islay Spain in November 2022, the Company agreed a conditional payment with the buyer. In June 2023, the condition was satisfied and the Company subsequently received £42,669 in deferred proceeds.

**ISLAY SM LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022****9. Creditors: amounts falling due within one year**

	31.12.22	31.12.21
	£	£
Trade creditors	-	186,354
Interest Payable	-	17,983
Accruals	1,250	1,250
Loans from Third Party	-	136,550
Performance fees	326,926	-
Stamp Duty Land Tax	25,787	-
Transaction costs	20,756	-
	<u>374,719</u>	<u>342,137</u>

The creditors balance includes performance fees, which were due to be paid to Foresight Group LLP. Performance fees were calculated as 20% of all returns to an investor above their initial 100p/share invested in the Foresight Energy Infrastructure EIS Fund.

The Company paid performance fees of £316,505 in January 2023 and a further £10,421 was accrued yet remained unpaid in relation to June 2023, in relation to the two rounds of distributions made to investors.

**10. Creditors: amounts falling due after more than one year**

	31.12.22	31.12.21
	£	£
Other creditors	<u>-</u>	<u>1,082,124</u>

**11. Called up share capital****Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	31.12.22	31.12.21
			£	£
4,276,277	Ordinary shares	0.01	<u>42,764</u>	<u>42,764</u>

The share capital and share premium was raised via retail investment and no individual investor owns more than 10% of the share capital.

**12. Reserves**

	Retained earnings	Share premium	Totals
	£	£	£
At 1 January 2022	(477,042)	4,209,188	3,732,146
Profit for the year	<u>1,380,827</u>		<u>1,380,827</u>
At 31 December 2022	<u>903,785</u>	<u>4,209,188</u>	<u>5,112,973</u>

## **ISLAY SM LIMITED**

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

#### **13. Related party disclosures**

Prior to the sale of Islay Spain, the Company had shareholder loans to its subsidiary, Islay Spain, in the amount of €4,041,868 (31 December 2021: €4,041,868). These loans accrued interest at a rate of 6.5% per annum. As at 16 November 2022, there was £219,415 of interest outstanding (31 December 2021: £505,159). At the same date, the Company also had sent cash contributions to its subsidiary, Islay Spain, in the amount of €913,132 (31 December 2021: €913,132), bearing interest at 0%. These amounts were fully repaid prior to the year end, using the proceeds of disposal.

During November 2019, the Company received a loan from Blackmead Infrastructure Limited in the amount of £945,000. Subsequent to partial repayment during the year there was a principal balance of £455,305 as at 3 February 2022. Upon the third anniversary of the loan, all outstanding interest was compounded, resulting in a loan principal balance of £481,152 as at 28 November 2022 (31 December 2021: £1,082,512). This loan accrued interest at a rate of 7% per annum and as at 28 November 2022 had accrued £277 (31 December 2021: £7,266). There was nothing outstanding at the year end.

The Company received a loan from Blackmead Infrastructure Limited in the amount £136,550 in July 2020. This loan accrued interest at a rate of 5.5% per annum and as at 28 November 2022, there was a loan principal balance outstanding of £136,551 and loan interest accrued of £17,551, none of which was outstanding at year end.

Foresight Group LLP is a related party as members of Foresight Group LLP, Gary Fraser and David Hughes, are also directors of Pinecroft Corporate Services, which is a director of the Company. Graham Shaw is also a director of Pinecroft Corporate Services Limited.

Foresight invoiced the Company £89,913 during the year, of which nothing was outstanding at year end (31 December 2021: £186,354). Additional costs were charged by Foresight Group LLP in the amount of £326,926 relating to performance fees, which was accrued at year end.

#### **14. Post balance sheet events**

Subsequent to the sale of Islay Spain, in November 2022, the Company made an initial distribution of funds to investors in January 2023. A further distribution was made in June 2023 pursuant to the Company receiving additional sale proceeds. The cumulative amount distributed to investors after the balance sheet date was £5,155,737.