

Registered number  
11503769

Aerospace Energy UK Limited  
Financial statements  
for the year ended 31 December 2022  
Pages for filing with the Registrar

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**Aerospace Energy UK Limited**  
**Registered number:**  
**Statement of financial position**  
**as at 31 December 2022**

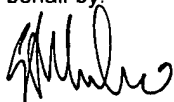
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	Notes	2022	2021
		£	£
<b>Fixed assets</b>			
Tangible assets	4	1,915,884	2,082,395
<b>Current assets</b>			
Debtors	5	284,271	169,569
Cash at bank and in hand		<u>506,967</u>	<u>197,088</u>
		791,238	366,657
Creditors: amounts falling due within one year	6	(859,329)	(360,799)
<b>Net current (liabilities)/assets</b>		<u>(68,091)</u>	<u>5,858</u>
<b>Total assets less current liabilities</b>		<u>1,847,793</u>	<u>2,088,253</u>
Creditors: amounts falling due after more than one year	7	(1,911,245)	(2,181,765)
<b>Net liabilities</b>		<u>(63,452)</u>	<u>(93,512)</u>
<b>Capital and reserves</b>			
Called up share capital		10,000	10,000
Profit and loss account		(73,452)	(103,512)
<b>Shareholders' funds</b>		<u>(63,452)</u>	<u>(93,512)</u>

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

The profit and loss account has not been delivered to the Registrar of Companies.

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



Graham Mackenzie  
Director

Approved by the board on 26 May 2023

**Aerospace Energy UK Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2022**

**1 Accounting policies**

***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 from the generation of electricity and heat from combined heat and power engines, net of VAT. Turnover from the sale of electricity is recognised when electricity is exported to the purchaser, that being the point at which the significant risks and rewards of ownership have passed to the buyer.

***Tangible fixed assets***

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

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and equipment	straight line over a 15 year period
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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.

***Borrowing costs related to fixed assets***

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

***Cash at bank and in hand***

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

**Aerospace Energy UK Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2022**

***Financial instruments***

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position 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 debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Basic financial liabilities***

Basic financial liabilities, including creditor, and loan notes 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Equity Instruments***

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

***Tax***

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Aerospace Energy UK Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2022**

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

**2 Operating profit**

	2022	2021
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	6,500	5,500

**3 Employees**

	2022	2021
Average number of persons employed by the company	-	-

**Aerospace Energy UK Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2022**

**4 Tangible fixed assets**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 January 2022	2,497,659
At 31 December 2022	<u>2,497,659</u>
<b>Depreciation</b>	
At 1 January 2022	415,264
Charge for the year	<u>166,511</u>
At 31 December 2022	<u>581,775</u>
<b>Net book value</b>	
At 31 December 2022	<u>1,915,884</u>
At 31 December 2021	<u>2,082,395</u>

Included within the carrying amount of plant and machinery is loan interest totalling £132,632 (2021: £144,165).

<b>5 Debtors</b>	<b>2022 £</b>	<b>2021 £</b>
Trade debtors	202,458	91,911
Other debtors	<u>81,813</u>	<u>77,658</u>
	<u>284,271</u>	<u>169,569</u>

<b>6 Creditors: amounts falling due within one year</b>	<b>2022 £</b>	<b>2021 £</b>
Trade creditors	32,855	26,095
Taxation and social security costs	9,249	-
Other creditors	<u>817,225</u>	<u>334,704</u>
	<u>859,329</u>	<u>360,799</u>

The company has granted securities to Iona Renewable Infrastructure LP, including a fixed charge, floating charge and negative pledge, secured over the assets of the company.

Included within other creditors is a deferred tax liability. Movement in the year is detailed in note 8.

<b>7 Creditors: amounts falling due after one year</b>	<b>2022 £</b>	<b>2021 £</b>
Payable by instalments 1 - 5 years	1,626,490	1,390,331
Payable by instalments after 5 years	<u>284,755</u>	<u>791,434</u>
	<u>1,911,245</u>	<u>2,181,765</u>

Interest of 12% per annum is payable on a loan of £2,413,009 (2021: £2,413,009). During the year, £288,768 (2021: £307,472) was charged. £501,764 (2021: £231,244) is due within 1 year and is included within "Other creditors" in note 6.

**Aerospace Energy UK Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2022**

**8 Deferred Taxation**

The following is the deferred tax liability recognised by the company and movements thereon:

	2022 £	2021 £
<b>Balances:</b>		
At 1 January 2022	(37,134)	(86,954)
Movement for the year	(58,173)	49,820
At 31 December 2022	<u>(95,307)</u>	<u>(37,134)</u>

**9 Called up share capital**

	2022 £	2021 £
<b>Ordinary share capital issued and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000

**10 Related party transactions**

At the period end, loans of £2,413,009 (2021: £2,413,009) were due to Iona Renewable Infrastructure LP (formerly Iona Environmental Infrastructure 3 LP) of which £501,764 (2021: £231,244) is included within "Other creditors" in note 6 and £1,911,245 (2021: £2,181,765) is included in note 7. Interest of £145,970 (2021: £793) was accrued, included in "Other creditors" in note 6. Iona Renewable Infrastructure LP is the majority shareholder in the company.

Interest of £288,768 (2021: £307,472) was charged on loans advanced by Iona Renewable Infrastructure LP.

Iona Capital Limited charged financial management service fees, directors fees and recharged expenses of £42,614 (2021: £39,843). At the period end £6,854 (2021: £7,925) was due to Iona Capital Limited. Iona Capital Limited is a member of Iona EI (General Partner) 3 LLP which is the General Partner of Iona Renewable Infrastructure LP.

Iona Management Services Limited ("IMS") is a company under common control of Iona Capital Limited. During the year, IMS charged maintenance fees and recharged operating costs of £344,262 (2021: £244,849). At the year end, £26,212 (2021: £18,226) was due to IMS.

**11 Parent Entity**

In the opinion of the directors, the immediate controlling party is Iona Renewable Infrastructure LP due to it being the sole shareholder of the company. During the year, Iona Environmental Infrastructure 3 LP changed its name to Iona Renewable Infrastructure LP. Further details of the general partner is disclosed in note 10.

**12 Other information**

Aerospace Energy UK Limited is a private company limited by shares and incorporated in England. Its registered office is:  
123 Pall Mall  
London  
SW1Y 5EA

**15 Audit report information**

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.  
The senior statutory auditor was Kenneth McDowell.  
The auditor was Saffery Champness LLP.  
The audit report was signed on 2 June 2023