

Registered Number : 11958857

MANCHESTER HEAT NETWORK SUPPLYCO LIMITED

Report and Financial Statements

For the year ended 30 April 2022

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MANCHESTER HEAT NETWORK SUPPLYCO LIMITED

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MANCHESTER HEAT NETWORK SUPPLYCO LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

Company Registration Number : 11958857

Registered Office : PO Box 532
Town Hall
Albert Square
Manchester
M60 2LA

Directors : Matthew S Bennett
Paul Hindle

-Appointed: Resigned:
24-Feb-20 · 31-Dec-22
· 03-Jan-23

Secretary : Manchester Professional Services Limited
PO Box 532
Town Hall
Albert Square
Manchester
M60 2LA

Bankers : Barclays Bank Plc
51 Mosley Street
Manchester
M32 3HQ

Contact : Anthony Young
Carla Lawson

MANCHESTER HEAT NETWORK SUPPLYCO LIMITED

Balance Sheet

as at 30th April 2022

| | Notes | 2022 | 2021 |
|---|-------|------------------|----------|
| | | £ | £ |
| CURRENT ASSETS | | | |
| Accounts Receivable | 5 | - | - |
| Debtors | 5 | 1,399,486 | - |
| Cash | | - | 1 |
| | | <u>1,399,486</u> | <u>1</u> |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 6 | - | - |
| Accruals and other debtors | 6 | 1,488,966 | - |
| Creditors: amounts falling due within one year | | <u>1,488,966</u> | <u>-</u> |
| NET CURRENT ASSETS | | <u>(89,480)</u> | <u>1</u> |
| LONG TERM LIABILITIES | | | |
| Creditors: amounts falling due after more than one year | 7 | - | - |
| | | <u>-</u> | <u>-</u> |
| NET ASSETS | | <u>(89,480)</u> | <u>1</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | 1 | 1 |
| Profit and loss account | 9 | (89,481) | - |
| | | <u>-</u> | <u>-</u> |
| TOTAL EQUITY | | <u>(89,480)</u> | <u>1</u> |

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



Paul Hindle

Director

Approved 27th March 2023

The notes on page 7, page 8 and Page 9 form part of these financial statements

MANCHESTER HEAT NETWORK SUPPLYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 1A, the Financial Reporting Standard applicable in the UK and Republic of Ireland. The basis has been adopted by the Board as a result of its review of the Company's activities for the next year.

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 adopt the going concern basis of accounting in preparing the Financial Statements.

Manchester City Council, in capacity of Shareholder of Manchester Heat Network SupplyCo Limited, acknowledges the operational importance of SupplyCo due to its provision of energy services to several key civic and culturally important buildings within Manchester city centre. Linked to this, the construction of the network is a key element of the Council's decarbonisation strategy, not only for the organisation but for the wider benefit of the city.

The Council has directed officers working for Manchester Heat Network SupplyCo Limited to undertake further work to strengthen the current Business Plan and operational model to ensure that SupplyCo is operating on a commercially and financially viable basis. The Council will support this work and endeavour to use the powers at its disposal to ensure the commercial and financial strategies are robust and deliverable with the appropriate assurance, risk and monitoring frameworks in place to ensure the actions being implemented are effective and the company is trading as a Going Concern.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and VAT. Turnover includes revenue earned from the rendering of services. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method. The loan shown in note 7 is from the parent body. Any discount would be immaterial and is not included.

Taxation

No liability for Corporation Tax due to company losses

Presentation currency

The financial statements are presented in £ Sterling.

Legal form of entity and country of incorporation

Manchester Heat Network Supplyco Limited is a private company limited by shares and incorporated in England.

Principal place of business

The address of the company's principal place of business and registered office is PO Box 532, Room 208, Town Hall, Albert Square, Manchester M60 2LA.

MANCHESTER HEAT NETWORK SUPPLYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

2 Analysis of Turnover

| | 2022 | 2021 |
|-------------------------------|-----------|------|
| Sales of electricity and heat | 1,399,177 | - |

Staff numbers and costs

None of the Directors received any emoluments from the Company during the year. There is 1 Director (2021 - 1)

3 Operating profit/loss

| | 2022 | 2021 |
|--|------|------|
| | £ | £ |

This is stated after charging:

| | | |
|-----------------------|-------|---|
| Auditors Remuneration | 1,250 | - |
|-----------------------|-------|---|

4 Taxation

| | 2022 | 2021 |
|--|------|------|
| | £ | £ |

Analysis of charge in period

| | | |
|--------------------------------------|---|---|
| Tax on profit on ordinary activities | - | - |
|--------------------------------------|---|---|

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

| | | |
|--|----------|---|
| Loss on ordinary activities before tax | (89,481) | - |
|--|----------|---|

| | | |
|--|-----|-----|
| Standard rate of corporation tax in the UK | 19% | 19% |
|--|-----|-----|

| | | |
|--|----------|---|
| Loss on ordinary activities multiplied by the standard rate of corporation tax | (17,001) | - |
|--|----------|---|

| | | |
|-------------|--------|---|
| Effects of: | | |
| Losses | 17,001 | - |

| | | |
|-------------------------------|---|---|
| Current tax charge for period | - | - |
|-------------------------------|---|---|

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

5 Debtors

| | 2022 | 2021 |
|---|-----------|------|
| | £ | £ |
| Trade debtors | 1,195,557 | - |
| Other taxes and social security costs - VAT | - | - |
| Amounts owed by group undertakings | 203,929 | - |
| | 1,399,486 | - |

6 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|---|-----------|------|
| | £ | £ |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 1,488,966 | - |
| Accruals and deferred income | - | - |
| Other taxes and deferred costs - VAT | - | - |
| | 1,488,966 | - |

MANCHESTER HEAT NETWORK SUPPLYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

| 7 Creditors: amounts falling due after one year | 2022 | 2021 |
|--|-----------|------|
| | £ | £ |
| Loans | - | - |
| 8 Share capital | | |
| Allotted, called up and fully paid: | | |
| Ordinary shares | £1 | £1 |
| 9 Profit and loss account | | |
| At 1 May 2021 | - | - |
| At 30 April 2022 | (89,481) | - |
| 10 Related party transactions | | |
| Manchester Heat Network TradeCo Limited is a related party due to being a fellow subsidiary. | | |
| Purchases during the year | 1,488,966 | - |
| Debtor at the year-end | 203,929 | - |
| Creditor at the year-end | 1,488,966 | - |

11 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.

Material uncertainty relating to going concern

We draw attention to the Accounting Policy on Going Concern in the financial statements, which indicates that whilst the company has significant net assets, at the year-end there are net current liabilities, which may indicate that a material uncertainty exists, that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Manchester City Council, in capacity of Shareholder of Manchester Heat Network SupplyCo Limited, acknowledges the operational importance of SupplyCo due to its provision of energy services to several key civic and culturally important buildings within Manchester city centre. Linked to this, the construction of the network is a key element of the Council's decarbonisation strategy, not only for the organisation but for the wider benefit of the city.

The Council has directed officers working for Manchester Heat Network SupplyCo Limited to undertake further work to strengthen the current Business Plan and operational model to ensure that SupplyCo is operating on a commercially and financially viable basis. The Council will support this work and endeavour to use the powers at its disposal to ensure the commercial and financial strategies are robust and deliverable with the appropriate assurance, risk and monitoring frameworks in place to ensure the actions being implemented are effective and the company is trading as a Going Concern.

Statutory auditor: Jamielee Johnston, Mitchell Charlesworth (Audit) Limited.

12 Ultimate controlling party

Manchester City Council