

Company registration number 08105007 (England and Wales)

ANESCO ENERGY SERVICES ONE LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



ANESCO ENERGY SERVICES ONE LIMITED

COMPANY INFORMATION

Directors	J Skinner C James-Milrose
Company number	08105007
Registered office	15 Diddenham Court Lambwood Hill Grazeley Reading England RG7 1JQ

ANESCO ENERGY SERVICES ONE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Directors' responsibilities statement	3
Profit and loss account	4
Balance sheet	5 - 6
Statement of changes in equity	7
Notes to the financial statements	8 - 18

ANESCO ENERGY SERVICES ONE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is the operation of a ground mounted solar photo-voltaic installation in the United Kingdom.

Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

J Skinner	
N Hildyard	(Resigned 15 February 2023)
C James-Milrose	(Appointed 17 February 2023)

Results

The profit for the year after taxation, amounted to £121,730 (2021: loss of £22,068). The Directors did not recommend payment of a dividend (2021: £Nil).

Going concern

The Company performed well during the year relative to the P50 generation target. The operations and maintenance ('O&M') provider, Anesco Limited, continues to proactively monitor the asset performance.

The Russian invasion of Ukraine commenced in February 2022. Due to Europe's reliance on Russian commodities, the assault resulted in gas and coal prices recording new all-time highs. These high fuel prices fed into wholesale electricity prices, resulting in the historic high prices being maintained, despite an increase in renewable generation. The solar farm's revenue structure is largely fixed due to the Renewable Obligation Certificate and Power Purchase Agreement floor price, however as long-term power prices increased, the Company hedged power price exposure until April 2026.

The Company's forecasts and projections, taking into account potential changes in trading patterns, indicate that the Company will be able to continue current operations for the foreseeable future.

The Company is financed by an intercompany loan from the parent company, McEwan Solar Holdco (2) Limited.

The Directors of McEwan Solar Holdco (2) Limited have confirmed that they will not be demanding repayment of the loan amount due from the Company for a period of not less than one year from the date of approval of these financial statements, and the Directors have considered the ability of McEwan Solar Holdco (2) Limited to honour this confirmation and concluded that they were satisfied. Having regard to this intention, the Directors believe it is appropriate to prepare these financial statements on a going concern basis.

Post balance sheet events

There were no significant events that would require adjustment to the Company's financial statements.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

ANESCO ENERGY SERVICES ONE LIMITED

DIRECTORS' REPORT (CONTINUED)

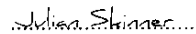
FOR THE YEAR ENDED 31 DECEMBER 2022

Small companies exemption

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Approved by the board and signed on its behalf by



J Skinner
(Signed: J Skinner (Sec 8: 2023: 3:06pm))
Director

Date: **08 Sep 2023**
.....

ANESCO ENERGY SERVICES ONE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANESCO ENERGY SERVICES ONE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Turnover	4	1,095,730	962,089
Cost of sales		(194,683)	(179,989)
Gross profit		<u>901,047</u>	<u>782,100</u>
Administrative expenses		(362,114)	(376,334)
Operating profit	5	<u>538,933</u>	<u>405,766</u>
Interest payable and similar expenses	7	(388,077)	(408,337)
Profit/(loss) before taxation		<u>150,856</u>	<u>(2,571)</u>
Tax on profit/(loss)	8	(29,126)	(19,497)
Profit/(loss) for the financial year		<u><u>121,730</u></u>	<u><u>(22,068)</u></u>

All results relate to continuing activities.

There are no other items of other comprehensive income for the current year or prior year. Therefore, no separate statement of other comprehensive income has been prepared.

The accounting policies and notes on pages 8 to 18 form part of these financial statements.

ANESCO ENERGY SERVICES ONE LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Non-current assets					
Property, plant and equipment	9		5,122,492		5,473,434
Current assets					
Debtors	10	185,302		174,573	
Cash at bank and in hand	11	439,354		419,084	
		624,656		593,657	
Creditors: amounts falling due within one year	12	(5,195,959)		(5,610,448)	
Net current liabilities			(4,571,303)		(5,016,791)
Total assets less current liabilities			551,189		456,643
Provisions for liabilities					
Provisions	13	(116,190)		(139,550)	
Deferred tax liability	14	(73,789)		(77,613)	
			(189,979)		(217,163)
Net assets			361,210		239,480
Capital and reserves					
Called up share capital	15		101		101
Share premium account	15		797,156		797,156
Profit and loss reserves	15		(436,047)		(557,777)
Total equity			361,210		239,480

The notes on pages 8 to 18 form part of these financial statements.

For the financial year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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 financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ANESCO ENERGY SERVICES ONE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors on 08 Sep 2023 and are signed on its behalf by:

Julian Skinner

J Skinner
Julian Skinner (Sep 8 2023, 3:06pm)
Director

Company Registration No. 08105007

ANESCO ENERGY SERVICES ONE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2021	101	797,156	(535,709)	261,548
Year ended 31 December 2021:				
Loss and total comprehensive loss for the year	-	-	(22,068)	(22,068)
Balance at 31 December 2021	101	797,156	(557,777)	239,480
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	121,730	121,730
Balance at 31 December 2022	101	797,156	(436,047)	361,210

The accounting policies and notes on pages 8 to 18 form an integral part of these financial statements.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 General information

Anesco Energy Services One Limited ("the Company") is a private company limited by shares incorporated in England and Wales (Company number: 08105007). The registered office is 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, England, RG7 1JQ.

2 Accounting policies

2.1 Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. Critical judgements have been applied to these financial statements and are summarised in note 3.

FRS 102 allows certain disclosure exemptions for qualifying entities, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under Section 7 of FRS 102 and para 3.17(d), on the basis that it is a small company;
- from disclosing the Company's key management personnel compensation as required by FRS 102 para 33.7; and
- from disclosing related party transactions that are wholly owned within the same group.

2.2 Measurement convention

The financial statements are prepared on the historical cost basis.

2.3 Going concern

The Company performed well during the year relative to the P50 generation target. The operations and maintenance ('O&M') provider, Anesco Limited, continues to proactively monitor the asset performance.

The Russian invasion of Ukraine commenced in February 2022. Due to Europe's reliance on Russian commodities, the assault resulted in gas and coal prices recording new all-time highs. These high fuel prices fed into wholesale electricity prices, resulting in the historic high prices being maintained, despite an increase in renewable generation. The solar farm's revenue structure is largely fixed due to the Renewable Obligation Certificate and Power Purchase Agreement floor price, however as long-term power prices increased, the Company hedged power price exposure until April 2026.

The Company's forecasts and projections, taking into account potential changes in trading patterns, indicate that the Company will be able to continue current operations for the foreseeable future.

The Company is financed by an intercompany loan from the parent company, McEwan Solar Holdco (2) Limited.

The Directors of McEwan Solar Holdco (2) Limited have confirmed that they will not be demanding repayment of the loan amount due from the Company for a period of not less than one year from the date of approval of these financial statements, and the Directors have considered the ability of McEwan Solar Holdco (2) Limited to honour this confirmation and concluded that they were satisfied. Having regard to this intention, the Directors believe it is appropriate to prepare these financial statements on a going concern basis.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of site preparation, installation and assembly, and testing of functionality.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Solar Photovoltaic (PV) facilities	25 years
------------------------------------	----------

The estimated useful life of the asset is based on the life the Solar PV facilities are expected to be in operation.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

2.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

2.6 Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such on the Balance Sheet. Finance costs and gains or losses relating to financial liabilities are included in the Profit and Loss Account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.7 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2.8 Provisions

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Decommissioning provision

Provisions for decommissioning are recognised in full when the related facilities are constructed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

2.9 Turnover

Revenue comprises the fair value of the consideration received or receivable in respect of the invoiced value of generated electricity, Renewable Obligation Certificates (ROCs) and accrued income. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

Revenue on the generation of energy comprises the value of units supplied during the year. Units are determined by energy volumes recorded on the solar park meters and market settlement systems.

Under the terms of its Power Purchase Agreements (PPA) with customers, ROC's are immediately transferable to the customer. Revenue in relation to ROC's is recognised in line with the generation of energy.

Accrued income represents the sales value of energy (and related ROC's) which is yet to be invoiced and is based upon the value of units supplied with respect to energy and quantity of units supplied with respect to ROC's.

The Company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity;
- and specific criteria have been met for each of the company's activities.

There is only one operating activity and all revenue is generated within the United Kingdom.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.10 Expenses

Operating leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case, the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar expenses includes interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss. Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

2.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

2.12 Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

2.13 Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Judgements and key sources of estimation uncertainty

Accounting estimates and judgements

In the preparation of the financial statements, management makes certain judgements and estimates that impact the financial statements. While these judgements are continually reviewed, the facts and circumstances underlying these judgements may change, resulting in a change to the estimates that could impact the results of the Group.

The main estimates and judgements considered in preparing the financial statements are as follows:

Key sources of estimation uncertainty:

- a) *Useful lives of property, plant and equipment*
The determination of useful lives of property, plant and equipment requires assessment of the assets' level of use. Assumptions regarding the level of use and the impact of continuing maintenance regimes, based on which the useful lives are determined entail a degree of judgement.
- b) *Carrying value / impairment of property, plant and equipment*
The carrying value of PPE is the higher of fair value less costs of disposal and the amount that could be obtained through using the asset (value in use). Value in use is calculated by forecasting the cash flows that the asset is expected to generate and discounting them to their present value. Impairment tests are only required when there has been some indication that an impairment has occurred.
- c) *Accrued income*
Estimates must be made in respect of elements of the accrued income including the ROC recycling revenue. These are based on management's best estimate of the price at the time based on previous history of settled prices. In order to determine an appropriate estimate, management have made use of forecasts provided by industry experts. These forecasts indicate that the ROC recycle price should be roughly 10% of the ROC buyout price, which is in line with Ofgem's ROC shortfall target.
- d) *Decommissioning provision*
Decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergency of new technology or experience at other assets. The expected timing, work scope and amount of expenditure may also change. Therefore, significant estimates and assumptions are made in determining the provision for decommissioning.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Turnover

	2022 £	2021 £
Turnover:		
Power Purchase Agreements ('PPA')	436,755	380,642
Renewable Obligation Certificates ('ROC')	658,975	581,447
	<u>1,095,730</u>	<u>962,089</u>

All turnover arose within the United Kingdom.

5 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	324,853	324,447
Other operating lease rentals	<u>57,134</u>	<u>55,575</u>

6 Staff numbers and costs

The Company has no employees other than the Directors. The Directors' remuneration was borne by a related party in both years.

7 Interest payable and similar expenses

	2022 £	2021 £
Interest payable on loan from parent company	385,348	406,954
Unwinding of discount on decommissioning provisions	<u>2,729</u>	<u>1,383</u>
	<u>388,077</u>	<u>408,337</u>

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

8 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	32,950	-
Deferred tax		
Origination and reversal of timing differences	(3,824)	1,144
Effect of changes in tax rates	-	18,353
Total deferred tax	(3,824)	19,497
Total tax charge	29,126	19,497

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit/(loss) and the standard rate of tax as follows:

	2022 £	2021 £
Profit/(loss) before taxation	150,856	(2,571)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	28,663	(488)
Tax effect of expenses that are not deductible in determining taxable profit	1,382	862
Group relief	-	233
Deferred tax not recognised	-	263
Tax rate changes	(919)	18,627
Taxation charge for the year	29,126	19,497

Factors that may affect future tax charges

Deferred taxes have been measured at 25% (2021: 25%) which represents future corporation tax that was enacted at the balance sheet date. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the COVID-19 pandemic. These included increase to the UK's main corporation tax rate to 25%, which became effective from 1 April 2023. These changes were substantively enacted on 24 May 2021.

Deferred tax not provided relates to the unwinding of the discount on the decommissioning provision.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Tangible fixed assets

	Solar Photovoltaic Installations £
Cost	
At 1 January 2022	8,127,956
Decommissioning cost adjustment	(26,089)
At 31 December 2022	8,101,867
Depreciation and impairment	
At 1 January 2022	2,654,522
Depreciation charged in the year	324,853
At 31 December 2022	2,979,375
Carrying amount	
At 31 December 2022	5,122,492
At 31 December 2021	5,473,434

There is a decommissioning cost adjustment to the decommissioning provision aspect of the Solar photovoltaic installations. This is due to a) the change in inflation rate in FY 2022 (and projections for FY 2023 and beyond) and b) an adjustment to the discount rate from 1% to 3.36%. This has impacted the NPV calculation for the estimated £20k per MW future decommissioning cost. The overall impact of the above factors has led to a reduction of the provision and associated fixed asset of £26,089. See note 13 for further details.

10 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	347	-
Prepayments and accrued income	184,955	174,573
	185,302	174,573

11 Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	439,354	419,084

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	21,903	11,584
Corporation tax	32,950	-
VAT	90,568	58,964
Accruals and deferred income	16,550	29,846
Amounts owed to group undertakings	2,667	6,964
Loan from parent Company - Loan 1	2,847,246	3,317,905
Loan from parent Company - Loan 2	2,184,075	2,185,185
	<u>5,195,959</u>	<u>5,610,448</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The loans payable to the parent Company above include accrued interest of £42,418 (2021: £50,489) on Loan 1 and £51,075 (2021: £52,185) on Loan 2.

The loans are unsecured, made on normal commercial terms and conditions at interest rates of 6.0% and 9.5% respectively. The loans are repayable on demand but the Directors of the parent Company have given an undertaking that they will not recall any of the loans within one year of when these financial statements are approved.

13 Provisions for liabilities

	Decommissioning Provision £	Total £
At 1 January 2022	139,550	139,550
Decommissioning cost adjustment	(26,089)	(26,089)
Charged to profit and loss account	2,729	2,729
	<u>116,190</u>	<u>116,190</u>
At 31 December 2022	<u>116,190</u>	<u>116,190</u>

A provision has been recognised for decommissioning costs associated with the solar farm owned by the Company. The Company is committed to decommissioning the solar farm as a result of the construction of the solar farm for the production of power.

The provision has been discounted at a rate of 3.36% (2021: 1.00%) and this discount will be unwound and charged to the profit and loss account. The estimated date of decommissioning the site is June 2039.

There is a decommissioning cost adjustment to the decommissioning provision aspect of the Solar photovoltaic installations. This is due to a) the change in inflation rate in FY 2022 (and projections for FY 2023 and beyond) and b) an adjustment to the discount rate from 1% to 3.36%. This has impacted the NPV calculation for the estimated £20k per MW future decommissioning cost. The overall impact of the above factors has led to a reduction of the provision and associated fixed asset of £26,089.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Fixed asset timing differences	73,789	77,613
	<u>73,789</u>	<u>77,613</u>
Movements in the year:		2022 £
Liability at 1 January 2022		77,613
Credit to profit or loss		(3,824)
		<u>73,789</u>
Liability at 31 December 2022		<u>73,789</u>

15 Called-up share capital and reserves

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	101	101	101	101
	<u>101</u>	<u>101</u>	<u>101</u>	<u>101</u>

Share premium account

Includes any premium received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

Profit and loss account

Includes all current and prior period retained profits and losses.

16 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	59,441	55,196
Between two and five years	237,764	220,784
In over five years	678,618	685,350
	<u>975,823</u>	<u>961,330</u>

17 Post balance sheet events

There were no significant events that would require adjustment to the Company's financial statements.

ANESCO ENERGY SERVICES ONE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with fellow subsidiaries under common ownership. There are no other related party transactions noted in the year.

19 Ultimate controlling party

Anesco Energy Services One Limited is a wholly owned subsidiary of McEwan Solar Holdco (2) Limited (Company number: 08738818, Registered office: 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, RG7 1JQ), a Company incorporated in England and Wales.

The Company's ultimate controlling party is AIP Infrastructure LP (Company number: SL029869, Registered office: c/o Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP). As AIP Infrastructure LP does not prepare consolidated accounts for public use, the largest group which prepares consolidated accounts is Arjun Infrastructure Partners II Limited (Company number: 09429375, Registered office: 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, RG7 1JQ). The smallest group which prepares consolidated accounts is AIP Acquisitions II Limited (Company number: 09431123, Registered office: 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, RG7 1JQ).