

Company registration number 07530102 (England and Wales)

A SHADE GREENER (F2) LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

A SHADE GREENER (F2) LTD

COMPANY INFORMATION

Director	Emma Howell
Secretary	Arnold Hill & Co LLP
Company number	07530102
Registered office	Sixth Floor Capital Tower 91 Waterloo Road London SE1 8RT
Auditor	KPMG LLP 15 Canada Square London E14 5GL
Banker	HSBC 8 Canada Square London United Kingdom E14 5HQ

A SHADE GREENER (F2) LTD

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A SHADE GREENER (F2) LTD

DIRECTOR'S 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 activities

The principal activity of A Shade Greener (F2) Limited ("the Company") continued to be that of the production of electricity.

The Company has an operational portfolio of 2,146 rooftop solar systems in and around the Sheffield area which were installed between April 2011 and October 2011. A 25 year lease has been granted to the Company by the householder for the roof of each installation site, an arrangement which passes to the new owner in the event the property is sold.

The main source of income from these installations is the government backed feed in tariff ('FIT') and export tariff ('ET'), both of which are currently protected by UK government legislation and are increased annually in line with the Retail Price Index ('RPI') increases. All income is paid by the FIT licensee, based upon the generation data figures for each installation. Operations and maintenance costs are also fixed under long term contracts.

Business review

Revenue is based on the output of electricity generated which is contingent on the intensity and duration of sunlight received. During the period energy generation has been in line with expectations as determined by the industry standard PVgis forecasting tools. Revenue is relatively fixed in real terms as no further systems are to be added by the Company, household leases are for a 25 year period, and both the FIT and ET are currently protected by UK government legislation and are subject to annual Retail Price Index ('RPI') increases.

The Company also has relatively fixed expenses as maintenance, repairs and replacements are provided for an annual maintenance fee on a per system basis, subject to annual indexation adjustments. This is governed by an operation and maintenance service agreement which ensures the continued availability of all systems. Finance costs are also stable having structured fixed loan repayment terms on the loan from a commercial loan provider.

The Company's profit for the year after taxation was £2,407,738 (2021: £2,139,373).

In view of the above factors and considering the credit risk relating to the FIT licensee is low, the Company is concluded to have minimal risks and uncertainties and has performed to expectations during the year.

Future developments

Other than continuing operations there are presently no plans to expand the operations of the Company nor are there any undertakings of research and development. There have been no significant events since the balance sheet date to the date of signing of the Annual Report and Financial Statements.

Going Concern

The Company has made a profit in the year of £2,407,738 (2021: £2,139,373) and has net current assets of £15,327,922 (2021: £15,995,395) and net assets of £509 (2021: £124,719) at the balance sheet date. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The directors have considered the impact of the Russia-Ukraine conflict on the Company, and concluded that whilst the Company is impacted it is deemed to be sufficiently robust to remain operational. The directors acknowledge that the Company is subject to various challenges from the Russia-Ukraine conflict but deems the investment to be ultimately based on fixed power pricing arrangements, thus mitigating exposure. Whilst there are significant wider market uncertainties which may impact the Company, the directors do not believe this will significantly impact the liquidity of the Company for at least 12 months from the date of approval of these financial statements.

For these reasons, the directors have adopted the going concern basis in preparing these financial statements.

Dividends

There were dividends of £2,531,948 paid during the year (2021: £2,500,000).

A SHADE GREENER (F2) LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Director

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

Emma Howell
Rhianydd Griffith

(Resigned 1 June 2023)

Auditor

The auditor, KPMG LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Ukraine-Russia conflict

In respect of the Ukraine-Russia conflict, the directors have evaluated the short-term impact on the business and continue to monitor the long-term impacts, ensuring mitigating actions are in place where required. See note 1 for further details.

Small companies exemption

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

On behalf of the board

Emma Howell
Director
21 July 2023

A SHADE GREENER (F2) LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The director is 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A SHADE GREENER (F2) LTD

Opinion

We have audited the financial statements of A Shade Greener (F2) Ltd ("the Company") for the year ended 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 ; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The director has prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the director's conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of the director as to the Company's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Reading minutes of meeting of those charged with governance; and
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF A SHADE GREENER (F2) LTD

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk that revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- Comparing a sample of items within all material balances to supporting documentation to assess the validity of the entries.
- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These include journals posted to revenue and cash.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the director and other management (as required by auditing standards) and discussed with the director and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert of any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery and certain aspects of company legislation recognising the financial nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the director and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF A SHADE GREENER (F2) LTD

Directors' report

The director is responsible for the director's report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the director's report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the director's report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the director is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF A SHADE GREENER (F2) LTD

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Chris Heseltine (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London, E14 5GL

United Kingdom

24 July 2023

A SHADE GREENER (F2) LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Turnover		4,416,450	3,864,203
Administrative expenses		(1,026,724)	(932,924)
Operating profit	3	3,389,726	2,931,279
Interest receivable and similar income		251,247	235,980
Interest payable and similar expenses	5	(563,235)	(589,484)
Profit before taxation		3,077,738	2,577,775
Taxation	6	(670,000)	(438,402)
Profit for the financial year		2,407,738	2,139,373
Total comprehensive income for the year		2,407,738	2,139,373

All activities are derived from continuing operations.

The Company has no recognised gains or losses other than those included in the results above.

A SHADE GREENER (F2) LTD

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	7		10,110,632		10,857,440
Current assets					
Debtors*	8	15,082,058		15,090,674	
Cash at bank and in hand		1,939,593		2,478,743	
		<u>17,021,651</u>		<u>17,569,417</u>	
Creditors: amounts falling due within one year	9	<u>(1,693,729)</u>		<u>(1,574,022)</u>	
Net current assets			<u>15,327,922</u>		<u>15,995,395</u>
Total assets less current liabilities			<u>25,438,554</u>		<u>26,852,835</u>
Creditors: amounts falling due after more than one year	10		(24,857,000)		(26,247,121)
Provisions for liabilities	12		<u>(581,045)</u>		<u>(480,995)</u>
Net assets			<u>509</u>		<u>124,719</u>
Capital and reserves					
Called up share capital			100		100
Profit and loss reserves			409		124,619
Total equity			<u>509</u>		<u>124,719</u>

*Included in amounts falling due within one year are amounts owed by group undertakings. These amounts are repayable on demand and will be recalled once it is determined that sufficient funds are available to make the repayment. Such repayment may take place after one year, in such instances these amounts would be considered debtors due after more than one year.

These 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 21 July 2023 and are signed on its behalf by:

Emma Howell
Director

Company Registration No. 07530102

A SHADE GREENER (F2) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

A Shade Greener (F2) Ltd is a limited company domiciled and incorporated in England and Wales. The registered office is Sixth Floor, Capital Tower, 91 Waterloo Road, London, SE1 8RT.

1.1 Accounting convention

These financial statements have been prepared in accordance with Section 1A of 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 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 GBP.

The financial statements have been prepared under the historical cost convention.

1.2 Going concern

The Company has continued to produce electricity. The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

The directors have considered the impact of the Russia-Ukraine conflict and potential implications on the Company's future operations. This consideration included, but is not limited to; the liquidity of the Company, covering an assessment of the impact of a temporary reduction in income.

The directors further considered the impact of the Russia-Ukraine conflict on the underlying portfolio investment, and concluded that whilst the investment is impacted it is deemed to be sufficiently robust to remain operational. The directors acknowledge that the investment is subject to various challenges from the Russia-Ukraine conflict but deems the investment to be ultimately based on fixed power pricing arrangements, thus mitigating exposure. Whilst there are significant wider market uncertainties which may impact investments and investors, the directors do not believe this will significantly impact the liquidity of the Company for at least 12 months from the date of approval of these financial statements. For these reasons, the directors have adopted the going concern basis in preparing these financial statements.

1.3 Turnover

Revenue is generated from feed in tariff ('FIT') and export tariff ('ET') under a UK government scheme associated with electricity exported to the grid. It is recognised net of VAT, trade discounts, and other sales taxes when the electricity is physically exported.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values straight line over their useful lives on the following bases:

Plant and machinery	25 years
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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.

A SHADE GREENER (F2) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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 balance sheet 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 and cash and bank balances, 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.

A SHADE GREENER (F2) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Classification of financial liabilities

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

1.8 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.

1.9 Taxation

The tax expense recorded in the Profit and Loss Statement represents the sum of the current tax payable for the year and the movement in the year of the deferred tax liability.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

A SHADE GREENER (F2) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. 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.

2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the director is 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.

Critical judgements

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

Accrued income

Revenue is generated under a UK government scheme associated with electricity exported to the grid, and is recognised when the electricity is physically exported.

Accrued income is estimated based on the value of the electricity which has been exported but is yet to be invoiced, based on the tariff prices in effect at the balance sheet date.

Recoverability of fixed assets

Tangible fixed assets are measured at cost less depreciation and impairment losses.

Determining whether tangible fixed assets are impaired requires an estimation of the value in use of these assets. The value in use calculation requires the Company to estimate the future cash flows expected to arise from the assets and a suitable discount rate in order to calculate the present value. On this basis, no impairment loss has been recognised in the current year.

A SHADE GREENER (F2) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 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	26,000	16,613
Depreciation of owned tangible fixed assets	746,808	746,808
	<u> </u>	<u> </u>
4 Employees		
There were no employees during the current or prior year. No directors' remuneration was paid in either period.		
5 Interest payable and similar expenses	2022	2021
Interest payable and similar expenses includes the following:	£	£
Interest on loans and finance leases	563,235	589,484
	<u> </u>	<u> </u>
6 Taxation	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	569,950	469,491
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	100,050	(31,089)
	<u> </u>	<u> </u>
Total tax charge	670,000	438,402
	<u> </u>	<u> </u>

A SHADE GREENER (F2) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Taxation (Continued)

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

	2022 £	2021 £
Profit before taxation	3,077,738	2,577,775
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	584,770	489,777
Group relief	(54,221)	(55,109)
Under/(over) provided in prior years	-	3,734
Movement in deferred tax rate	139,451	-
Taxation charge for the year	670,000	438,402

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the Company's future current tax charge accordingly. The deferred tax liability as at 31 December 2022 has been calculated based on these rates, reflecting the expected timing of the related temporary differences (2021: 19%).

7 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2022 and 31 December 2022	18,670,200
Depreciation and impairment	
At 1 January 2022	7,812,760
Depreciation charged in the year	746,808
At 31 December 2022	8,559,568
Carrying amount	
At 31 December 2022	10,110,632
At 31 December 2021	10,857,440

8 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Amounts due from group undertakings	14,570,264	14,563,308
Other debtors	511,794	527,366
	15,082,058	15,090,674

A SHADE GREENER (F2) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Debtors (Continued)

The Company has provided a £3,033,378 loan to its immediate parent, HGPE ASG Limited, which is unsecured, interest-free and repayable on demand.

During the year ended 31 December 2019 the Company extended a further loan to HGPE ASG Limited of £11,400,000, which is repayable on demand and accrues interest at an annual rate of 2.07%.

Included in amounts falling due within one year are amounts owed by group undertakings. These amounts are repayable on demand and will be recalled once it is determined that sufficient funds are available to make the repayment. Such repayment may take place after one year, in such instances these amounts would be considered debtors due after more than one year.

9 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	1,391,645	1,318,127
Trade creditors	672	1,344
Corporation tax	190,528	159,243
Other taxation and social security	20,839	32,063
Accruals and deferred income	90,045	63,245
	<u>1,693,729</u>	<u>1,574,022</u>

10 Creditors: amounts falling due after more than one year

	2022	2021
Notes	£	£
Bank loans and overdrafts	<u>24,857,000</u>	<u>26,247,121</u>

On 16 August 2019, the Company entered into a £30,000,000 loan with a third party loan provider. Loan repayments are made six-monthly and interest is calculated at an effective rate of 2.07%.

Amounts payable in greater than one year, by instalments, are as follows:

	2022	2021
	£	£
Within two and five years	6,324,829	6,012,473
In over five years	18,532,171	20,234,648
	<u>24,857,000</u>	<u>26,247,121</u>

A SHADE GREENER (F2) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Deferred taxation

Deferred tax assets and liabilities are offset where the Company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
Accelerated capital allowances	581,045	480,995
	<u> </u>	<u> </u>
		2022
Movements in the year:		£
Liability at 1 January 2022		480,995
Charge to profit or loss		100,050
		<u> </u>
Liability at 31 December 2022		581,045
		<u> </u>

12 Provisions for liabilities

		2022 £	2021 £
Deferred tax liabilities	11	581,045	480,995
		<u> </u>	<u> </u>

13 Financial commitments, guarantees and contingent liabilities

Contingent Liabilities

A clause within the 2,146 rooftop solar system operating lease agreements stipulate that upon expiry of the lease the Company is required to remove the system if requested by the householder. The likelihood of such requests is considered remote and considering the significant uncertainties regarding the number of requests an accurate estimation of future expenditure is not possible, and hence no related contingent liability nor provision has been raised.

14 Related party transactions

The Company has taken advantage of the exemption contained within Section 33 of FRS 102 from the requirement to disclose details of transactions entered into between two or more members of a group, where the parties to the transactions are wholly owned subsidiary undertakings of that group.

15 Events after the reporting date

There have been no significant events since the balance sheet date to the date of signing the Annual Report and Financial Statements.

16 Ultimate controlling party

The ultimate parent is Hermes Infrastructure Fund I LP, whose registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

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.