

**Goonhilly Solar Limited**  
**Directors' Report and**  
**Financial Statements For The Year Ended 31 December 2022**

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**Goonhilly Solar Limited (Registered number: 08911946)**

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For The Year Ended 31 December 2022**

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**Goonhilly Solar Limited**

**Company Information  
For The Year Ended 31 December 2022**

<b>Directors:</b>	E G Andrew J L Sherman
<b>Registered office:</b>	C/O RES Limited Beaufort Court Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
<b>Registered number:</b>	08911946 (England and Wales)
<b>Bankers:</b>	HSBC 3 Rivergate Temple Quay Bristol BS1 6ER

**Goonhilly Solar Limited (Registered number: 08911946)**

**Directors' Report  
For The Year Ended 31 December 2022**

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

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

Further information on the basis of preparation of these financial statements and the going concern assumption can be found in note 2.

**Principal activity**

The principal activity of the Company in the period under review was the operation of the 4.51MW solar farm at Goonhilly in Cornwall and this is expected to continue to be the principal activity of the Company.

**Dividends**

The profit during the year ended 31 December 2022 was £602,365 (31 December 2021: £271,356).

The directors paid interim dividends of £nil in the period (31 December 2021: £nil).

The directors have not recommended payment of a final dividend (31 December 2021: £nil).

**Directors**

The directors who have held office during the period from 1 January 2022 to the date of this report are as follows:

R Kraemer - resigned 22 March 2022

J Jones - resigned 22 March 2022

E G Andrew - appointed 22 March 2022

J L Sherman - appointed 22 March 2022

**Directors' indemnities**

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

**On behalf of the board:**

DocuSigned by:

*Edmund Andrew*

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E G Andrew - Director

Date: 6/26/2023

**Goonhilly Solar Limited (Registered number: 08911946)****Statement of Comprehensive Income  
For The Year Ended 31 December 2022**

	Notes	2022 £	2021 £
<b>Turnover</b>	3	1,216,668	762,895
Cost of sales		(468,555)	(405,799)
<b>Gross profit</b>		748,113	357,096
Administrative expenses		(2,415)	(3,596)
<b>Operating profit</b>	5	745,698	353,500
Interest receivable and similar income		44	-
		745,742	353,500
Interest payable and similar expenses		(653)	(566)
<b>Profit before taxation</b>		745,089	352,934
Tax on profit		(142,724)	(81,578)
<b>Profit for the financial year</b>		602,365	271,356
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		602,365	271,356

The notes on pages 7 to 17 form part of these financial statements

**Goonhilly Solar Limited (Registered number: 08911946)****Balance Sheet  
31 December 2022**

	Notes	2022 £	2021 £
<b>Fixed assets</b>			
Tangible fixed assets	6	2,937,745	3,192,827
<b>Current assets</b>			
Debtors	7	104,351	41,955
Cash at bank		44,950	89,545
		149,301	131,500
<b>Creditors</b>			
Amounts falling due within one year	8	(1,784,611)	(2,609,719)
<b>Net current liabilities</b>		(1,635,310)	(2,478,219)
<b>Total assets less current liabilities</b>		1,302,435	714,608
<b>Provisions for liabilities</b>	10	(53,608)	(68,146)
<b>Net assets</b>		1,248,827	646,462
<b>Capital and reserves</b>			
Called up share capital		1	1
Retained earnings		1,248,826	646,461
		1,248,827	646,462

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

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

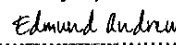
The notes on pages 7 to 17 form part of these financial statements

**Goonhilly Solar Limited (Registered number: 08911946)**

**Balance Sheet - continued**  
**31 December 2022**

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

The financial statements were approved by the Board of Directors and authorised for issue on 6/26/2023..... and were signed on its behalf by:

DocuSigned by:  
  
.....  
E G Andrew - Director

The notes on pages 7 to 17 form part of these financial statements

**Goonhilly Solar Limited (Registered number: 08911946)**

**Statement of Changes in Equity  
For The Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2021</b>	1	375,105	375,106
<b>Changes in equity</b>			
Total comprehensive income	-	271,356	271,356
<b>Balance at 31 December 2021</b>	1	646,461	646,462
<b>Changes in equity</b>			
Total comprehensive income	-	602,365	602,365
<b>Balance at 31 December 2022</b>	1	1,248,826	1,248,827

The notes on pages 7 to 17 form part of these financial statements



**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements  
For The Year Ended 31 December 2022**

**1. General information**

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

**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022**

**2. Accounting policies**

**Basis of preparing the financial statements**

The financial statements have been prepared in accordance with the applicable United Kingdom accounting standards, including Financial Reporting Standard 102 section 1 A small entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The particular accounting policies adopted are described below and have been applied consistently throughout the current and prior financial period.

Section 1 A for small companies has been applied on the basis that the entity meets the criteria set out within the Companies Act. The directors believe the entity is part of an eligible group on the basis that the ultimate controlling party is not listed on any market.

The Company has taken advantage of the exemptions available to small entities under section 1A in relation to presentation of a cash flow statement and the disclosures of net finance charge, current taxation, financial instruments, share capital and reserves.

The Company is consolidated in the financial statements of its indirect parent company, Equitix Knight Finco Limited, registered in England and Wales and the financial statements are available from the registered office at C/O RES Limited, Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, England WD4 8LR.

The financial statements are prepared under the historical cost convention, except for the modification to a fair value basis for certain assets and liabilities.

**Going concern**

The financial statements have been prepared on the basis that the Company is a going concern, as the directors consider this appropriate.

The directors have separately reviewed integrated forecasts for the Company, for the foreseeable future being at least 12 months from the date of approval of the annual report, which indicate that the Company will be able to meet its cash flow demands and liabilities as they fall due from cash flows from operations and existing working capital. In arriving at their conclusion, the directors have assessed the impact of the potential risk of the recent energy market disruption that has led to very high energy prices as a result of geo-political uncertainty and gas shortages stemming from Russia's invasion of Ukraine. It was noted that whilst any power price variability is not welcomed, although favourably in this instance, the uncertainty it brings is balanced out by the Company's other main source of revenue, the revenues associated with the Feed-in Tariff (FIT), which has fixed prices per MWh and therefore adds a degree of certainty to a portion of future revenues which heavily contributes to the going concern assumption.

The directors will continue to closely monitor the situation and to take appropriate action if deemed necessary. The directors have written confirmation that Equitix Knight Finco Limited will continue to financially support the Company during the 12 months following the date the financial statements are signed.

**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022**

**2. Accounting policies - continued**

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

**Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**Deferred taxation**

Deferred tax assets are only recognised when management deem that it is highly probable that there will be sufficient taxable profits in future periods which can utilise the deferred tax asset.

**Operating lease commitments**

The classification of leases as operating or finance leases requires the Company to determine, based on evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires recognition on the balance sheet.

**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows

**Decommissioning provision**

Liabilities for decommissioning costs are recognised when the Company has an obligation to decommission and restore the land, with which the project has been built upon, to its original state. The obligation is assessed annually for changes in estimated costs which are then discounted to their net present value. If the net present value is deemed to be immaterial then no provision is recognised.

**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022**

**2. Accounting policies - continued**

**Turnover**

Turnover represents the value of power generated during the year, excluding value added tax, in the UK.

**Turnover recognition**

Turnover is recognised when the significant risks and rewards are considered to have transferred to the buyer and is recorded at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before turnover is recognised:

**a) Generation and embedded benefits turnover**

Turnover from the sale of electricity represents the invoice value, pre sales tax, of electricity provided to third parties and is recognised when electricity is generated. Embedded benefits are paid to generating plant located on the distribution network to reflect the lower cost of transporting electricity to the end user and are recorded at the invoice value.

**b) TRIADS turnover**

Turnover from the sale of TRIADS (bonus for generating at peak demand times during the winter months) represents the invoice value, before sales tax, of TRIADS provided to third parties and is recognised when eligible electricity is generated.

**c) FITs turnover**

The Feed-in tariff scheme (FITs) is an incentive for electricity-generating technology from a renewable or low carbon source. Turnover is paid directly from OFGEM and is recognised at the point of generation.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Solar farm plant & machinery - Straight line over 20 years

Plant and machinery is stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of replacing part of such plant and equipment when that cost is incurred if the recognition criteria are met, but excludes the costs of day-to-day servicing which is expensed as incurred.

**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022**

**2. Accounting policies - continued**

**Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

**Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**Equity instruments**

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022**

**2. Accounting policies - continued**

**Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Financial assets**

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022**

**2. Accounting policies - continued**

**Taxation**

Current tax, including UK corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 only if the Company has a legally enforceable right to set off current tax assets against current tax liabilities.

**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022**

**2. Accounting policies - continued**

**Cash**

Cash at bank and in hand on the balance sheet comprise cash in hand and deposits held at call with banks.

**Accrued income**

Accrued income represents accruals for electricity generation and FIT income not yet billed.

**Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are approved by the Company's shareholders.

**Decommissioning provision**

Liabilities for decommissioning costs are recognised when the Company has an obligation to decommission and restore the land, with which the project has been built upon, to its original state. The obligation is assessed annually for changes in estimated costs which are then discounted to their net present value. If the net present value is deemed to be immaterial then no provision is recognised.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated plant and machinery and depreciated accordingly. Changes in these estimates and changes to the discount rates are dealt with prospectively and reflected as an adjustment to the provision with a corresponding decommissioning asset included within plant and machinery. Unwinding of the discount on the provision is included in the income statement within interest expense.

**Operating leases**

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**3. Turnover**

The turnover and profit before taxation are attributable to the one principal activity of the Company.

**4. Employees and directors**

There were no staff costs for the year ended 31 December 2022 nor for the year ended 31 December 2021.

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

Services are provided to the Company through a third party asset management agreement.

No Directors received any remuneration from the Company during the period (31 December 2021: Nil).



**Goonhilly Solar Limited (Registered number: 08911946)****Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022****5. Operating profit**

The operating profit is stated after charging:

	2022	2021
	£	£
Rentals under operating lease	61,970	41,965
Depreciation - owned assets	255,082	255,082

**6. Tangible fixed assets**

	Solar farm plant & machinery £
<b>Cost</b>	
At 1 January 2022 and 31 December 2022	5,084,572
<b>Depreciation</b>	
At 1 January 2022	1,891,745
Charge for year	255,082
At 31 December 2022	2,146,827
<b>Net book value</b>	
At 31 December 2022	2,937,745
At 31 December 2021	3,192,827

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

	2022	2021
	£	£
Trade debtors	32,016	-
Amounts owed by group companies	16,676	16,676
Accrued income	40,135	15,845
Prepayments	15,524	9,434
	104,351	41,955

Amounts owed from group companies are repayable on demand.

The Company has an intercompany group relief balance of £16,676 owed from St Breock Limited (31 December 2021: £16,676).

**Goonhilly Solar Limited (Registered number: 08911946)****Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022****8. Creditors: amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	7,868	2,578
Amounts owed to group companies	1,687,493	2,550,465
VAT	31,185	15,100
Accruals	58,065	41,576
	<u>1,784,611</u>	<u>2,609,719</u>

Amounts owed to group companies are repayable on demand.

The Company has an interest free loan from its parent company, Knight Renewables UK Limited of £1,291,960 (31 December 2021 £2,312,608 ), an intercompany group relief balance of £156,762 with Knight Renewables UK Limited (31 December 2021: £156,762 ), an intercompany group relief balance of £81,095 with Equitix Knight Finco Limited, and an intercompany group relief estimate of £157,676(31 December 2021: £81,096).

**9. Leasing agreements**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	22,875	20,164
Between one and five years	91,498	80,658
In more than five years	503,241	463,782
	<u>617,614</u>	<u>564,604</u>

**10. Provisions for liabilities**

	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	29,144	44,096
Decommissioning provision	24,464	24,050
	<u>53,608</u>	<u>68,146</u>

	Deferred tax	Decommissioning provision
	£	£
Balance at 1 January 2022	44,096	24,050
Unwinding of discounted amount	-	414
Credit to Income Statement during year	(14,952)	-
Balance at 31 December 2022	<u>29,144</u>	<u>24,464</u>

**Goonhilly Solar Limited (Registered number: 08911946)**

**Notes to the Financial Statements - continued  
For The Year Ended 31 December 2022**

**11. Off-balance sheet arrangements**

The Company enters into operating lease arrangements for the land on which the solar farm is located. The Company's lease rental expense is disclosed in note 5 and the Company commitments under these arrangements are disclosed in note 9. There are no other material off-balance sheet arrangements.

**12. Related party disclosures**

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**13. Ultimate controlling party**

The Company is a wholly owned subsidiary of Knight Renewables UK Limited, a company registered in England and Wales which has taken an exemption from preparing consolidated financial statements. The smallest and largest member of the Group which prepares consolidated financial statements is Equitix Knight Finco Limited and the financial statements are available from the registered office given on page 1.

The ultimate parent undertaking and controlling party is Equitix Fund V LP which is a limited partnership and does not prepare consolidated financial statements.