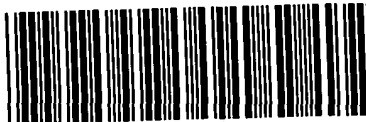


REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
FOR
SOUTHAM SOLAR FARM LTD

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SOUTHAM SOLAR FARM LTD

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FOR THE YEAR ENDED 31 DECEMBER 2024

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SOUTHAM SOLAR FARM LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024

Directors:

G E Shaw
J Elsworth
D Goodwin

Registered office:

C/O Foresight Group LLP
The Shard
32 London Bridge Street
London
SE1 9SG

Registered number:

08985708 (England and Wales)

Auditors:

Old Mill Audit Limited
Statutory Auditor
Maltravers House
Petters Way
Yeovil
Somerset
BA20 1SH

SOUTHAM SOLAR FARM LTD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their report with the financial statements of the company for the year ended 31 December 2024.

Principal activity

The principal activity of the company in the year under review was that of the generation of electricity using solar technology on a solar farm located in Southam, West Midlands.

Events since the end of the year

Information relating to events since the end of the year is given in the notes to the financial statements.

Directors

The directors shown below have held office during the whole of the period from 1 January 2024 to the date of this report.

G E Shaw
D Goodwin

Other changes in directors holding office are as follows:

J Elsworth - appointed 8 May 2024

Small company exemption

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 414B of the Companies Act 2006 not to provide a Strategic Report.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to be in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the annual report and accounts.

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards in conformity with the requirements of the Companies Act 2006. 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;
- 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 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.

The company has taken advantage of the exemption under Companies Act 2006 section 415A directors report: small companies exemption.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

SOUTHAM SOLAR FARM LTD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

Statement as to disclosure of information to auditors

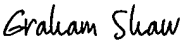
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Old Mill Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board :

Signed by:

A78747518E27451...

G E Shaw - Director

Date: 16 September 2025 | 17:01 BST

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTHAM SOLAR FARM LTD**

Opinion

We have audited the financial statements of Southam Solar Farm Ltd (the 'company') for the year ended 31 December 2024 which comprise the Statement of Profit and Loss, the Statement of Comprehensive Income, the Statement Of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

We draw attention to the fact that the previous reporting period was unaudited. Our opinion is not qualified in respect of this matter.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTHAM SOLAR FARM LTD**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Report, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the website of the Financial Reporting Council at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

How the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Other matters which we are required to address

We focused on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
SOUTHAM SOLAR FARM LTD**

Use of our audit report

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.

Old Mill Audit Limited

David Jones MSc FCA (Senior Statutory Auditor)
for and on behalf of Old Mill Audit Limited
Statutory Auditor
Maltravers House
Petters Way
Yeovil
Somerset
BA20 1SH

Date:19/09/2025.....

SOUTHAM SOLAR FARM LTD

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	31.12.24 £	31.12.23 £
Continuing operations			
Revenue	4	1,623,528	1,911,371
Cost of sales		<u>(175,450)</u>	<u>(177,116)</u>
Gross profit		1,448,078	1,734,255
Administrative expenses		<u>(643,229)</u>	<u>(607,201)</u>
Operating profit		804,849	1,127,054
Finance costs	6	(926,667)	(928,215)
Finance income	6	9,007	-
(Loss)/profit before income tax	7	<u>(112,811)</u>	<u>198,839</u>
Income tax	8	44,225	(32,610)
(Loss)/profit for the year		<u><u>(68,586)</u></u>	<u><u>166,229</u></u>

The notes form part of these financial statements

SOUTHAM SOLAR FARM LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	31.12.24 £	31.12.23 £
(Loss)/profit for the year	(68,586)	166,229
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(68,586)</u>	<u>166,229</u>

The notes form part of these financial statements

SOUTHAM SOLAR FARM LTD (REGISTERED NUMBER: 08985708)**STATEMENT OF FINANCIAL POSITION****31 DECEMBER 2024**

	Notes	31.12.24 £	31.12.23 £
Assets			
Non-current assets			
Owned			
Property, plant and equipment	9	6,874,271	7,231,211
Right-of-use			
Property, plant and equipment	9, 17	998,426	1,033,846
		<u>7,872,697</u>	<u>8,265,057</u>
Current assets			
Inventories	10	-	96,670
Trade and other receivables	11	1,589,335	1,545,530
Cash and cash equivalents	12	162,008	316,375
		<u>1,751,343</u>	<u>1,958,575</u>
Total assets		<u>9,624,040</u>	<u>10,223,632</u>
Equity			
Shareholders' equity			
Called up share capital	13	1	1
Retained earnings	14	(2,196,677)	(2,128,091)
Total equity		<u>(2,196,676)</u>	<u>(2,128,090)</u>
Liabilities			
Non-current liabilities			
Trade and other payables	15	10,530,523	11,060,150
Financial liabilities - borrowings			
Lease liabilities	16, 17	1,003,558	1,046,137
		<u>11,534,081</u>	<u>12,106,287</u>
Current liabilities			
Trade and other payables	15	174,195	154,689
Financial liabilities - borrowings			
Lease liabilities	16, 17	70,875	49,181
Tax payable		41,565	41,565
		<u>286,635</u>	<u>245,435</u>
Total liabilities		<u>11,820,716</u>	<u>12,351,722</u>
Total equity and liabilities		<u>9,624,040</u>	<u>10,223,632</u>

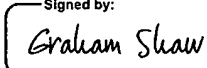
The notes form part of these financial statements

SOUTHAM SOLAR FARM LTD (REGISTERED NUMBER: 08985708)

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2024

16 September 2025 | 17:01 BST

The financial statements were approved by the Board of Directors and authorised for issue on
and were signed on its behalf by:

Signed by:

.....
A78747518E27451.....
G E Shaw - Director

The notes form part of these financial statements

SOUTHAM SOLAR FARM LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2023	1	(2,294,320)	(2,294,319)
Changes in equity			
Total comprehensive income	-	166,229	166,229
Balance at 31 December 2023	<u>1</u>	<u>(2,128,091)</u>	<u>(2,128,090)</u>
Changes in equity			
Total comprehensive income	-	(68,586)	(68,586)
Balance at 31 December 2024	<u>1</u>	<u>(2,196,677)</u>	<u>(2,196,676)</u>

The notes form part of these financial statements

SOUTHAM SOLAR FARM LTD**STATEMENT OF CASH FLOWS**
FOR THE YEAR ENDED 31 DECEMBER 2024

		31.12.24	31.12.23
		£	£
Cash flows from operating activities			
Cash generated from operations	1	1,394,451	957,857
Tax paid		44,225	-
Net cash from operating activities		<u>1,438,676</u>	<u>957,857</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		284,296	(40,036)
Interest received		9,007	-
Net cash from investing activities		<u>293,303</u>	<u>(40,036)</u>
Cash flows from financing activities			
Loan repayments in year		(529,627)	-
Capital element of lease repaid		(430,052)	(43,238)
Interest paid		(883,070)	(884,812)
Lease interest paid		(43,597)	(43,403)
Net cash from financing activities		<u>(1,886,346)</u>	<u>(971,453)</u>
Decrease in cash and cash equivalents		<u>(154,367)</u>	<u>(53,632)</u>
Cash and cash equivalents at beginning of year	2	316,375	370,007
Cash and cash equivalents at end of year	2	<u>162,008</u>	<u>316,375</u>

The notes form part of these financial statements

SOUTHAM SOLAR FARM LTD

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

1. **Reconciliation of (loss)/profit before income tax to cash generated from operations**

	31.12.24	31.12.23
	£	£
(Loss)/profit before income tax	(112,811)	198,839
Depreciation charges	517,231	506,407
Finance costs	926,667	928,215
Finance income	(9,007)	-
	<u>1,322,080</u>	<u>1,633,461</u>
Decrease in inventories	96,670	-
Increase in trade and other receivables	(43,804)	(672,297)
Increase/(decrease) in trade and other payables	19,505	(3,307)
Cash generated from operations	<u><u>1,394,451</u></u>	<u><u>957,857</u></u>

2. **Cash and cash equivalents**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2024

	31.12.24	1.1.24
	£	£
Cash and cash equivalents	<u>162,008</u>	<u>316,375</u>

Year ended 31 December 2023

	31.12.23	1.1.23
	£	£
Cash and cash equivalents	<u>316,375</u>	<u>370,007</u>

The notes form part of these financial statements

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS **FOR THE YEAR ENDED 31 DECEMBER 2024**

1. General information

Southam Solar Farm Limited was a company incorporated and domiciled in the United Kingdom. The address of the registered office is Foresight Group LLP, The Shard, London Bridge Street, London, SE1 9SG.

During the year the Company's activity was the generation of electricity using solar technology on a solar farm located in Southam, Warwickshire.

2. Statutory information

Southam Solar Farm Ltd 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.

3. Accounting policies

Basis of preparation

The company's financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements are presented in sterling which is the functional and presentational currency.

Measurement convention

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

Comparative information

Comparative figures in these financial statements have not been subject to statutory audit.

New standards effective for these financial statements

The following amendments to accounting standards became effective for the periods beginning on or after 1st January 2024:

- IAS 1 Presentation of Financial Statements (Amendments - Classification of Liabilities as Current or Non-current);
- IAS 1 Presentation of Financial Statements (Amendments - Non-current Liabilities with Covenants);
- IAS 7 Statement of Cash Flows (Amendments - Supplier finance arrangements);
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information;
- IFRS S2 Climate-related Disclosures; and
- IFRS 16 Leases (Amendments - Liability in a Sale and Leaseback)

New standards not yet effective

The following amendment is effective for the period beginning 1 January 2025:

- IAS 21 The Effects of Changes in Foreign Exchange Rates (Amendments - to consistently assess when a currency is exchangeable into another currency (not yet UK endorsed))

The following amendment is effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements (Amendments - to replace IAS 1 and improve presentation and consistency of information within the financial statements)

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Accounting policies - continued

Critical accounting judgements and key sources of estimation uncertainty

Significant accounting estimates and assumptions

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The most critical accounting policies and estimates in determining the financial position and results of the company are those requiring a greater degree of subjective or complete judgement.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Revenue comprises amounts received and receivable in respect of generated electricity and Renewable Obligation Certificates (ROCs). Revenue in respect of both energy generation and ROCs is recognised over time. Under the terms of its Power Purchase Agreements (PPA) with customers, ROCs are immediately transferable to the customer.

Revenue from PPAs with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods. Revenue on the generation of energy is recognised based upon the value of units supplied during the year at the price under the PPA, with the number of units determined by energy volumes recorded on the solar farm meters and market settlement systems. The company has concluded that it is the principal in its revenue arrangements because it typically controls the goods before they are transferred to the PPA counterparty. All revenue recognised in the year related to performance obligations satisfied in the year. There are no significant judgements taken in respect of the recognition of revenues.

While the performance obligation is satisfied as the electricity is generated, payment is generally due within 10 days from supply of energy or transfer of the ROCs, with the related amount recognised as a trade debtor or accrued income until payment is received from the customer.

The company has no material contract assets or liabilities other than trade debtors and accrued income as disclosed in note 11.

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

SOUTHAM SOLAR FARM LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2024**3. Accounting policies - continued****Cash and cash equivalents**

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under current liabilities on the Statement of Financial Position.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Borrowing costs are expensed as incurred as they do not meet the capitalisation criteria under IAS 23, as the construction of the related assets does not require a substantial period of time. Items of property, plant and equipment are depreciated to their estimated residual values on a straight line basis over their expected useful lives as follows:

Solar Photovoltaic (PV) assets - over 25 years - 4% straight line
Right of use assets - Depreciated over life of lease

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date, taking account technological innovations and asset maintenance programmes. A change resulting from the review is treated as a change in accounting estimate. The depreciation expense is recognised in the income statement.

Provisions

A provision is recognised in the balance sheet when the company 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 determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Impairment of non-financial assets

Carrying value of non-financial assets is reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

A previously recognised impairment will be revised insofar as estimates change as a result of an event occurring after the impairment was recognised. An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of impairment is recognised in the income statement.

After the recognition of an impairment loss, the depreciation or amortisation charge for the asset is adjusted in the future periods to allocate the asset's revised carrying amount, less its residual value, on a systematic basis over its useful life.

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Accounting policies - continued

Financial instruments

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, accounts payable and other financial liabilities.

Initial recognition and measurement

Financial assets and financial liabilities are recognised on the balance sheet when the company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, directly attributable transaction costs. Subsequent measurement and impairment for each classification is specified in the sections below.

All normal way purchases and sales of financial assets are recognised on the trade date i.e. the date that the company commits to purchase or sell the financial assets.

De-recognition of financial assets and liabilities

A financial asset, or apportion of a financial asset, is derecognised where:

- The rights to receive cash flows from the asset have expired;
- The company retains the right to receive the cash flow from the asset, but has assumed an obligation to pay them in full without material delay to a third party under "pass-through" arrangement, or
- The company has transferred the rights to receive cash flows from the asset and either:
 - (i) has transferred substantially all the risks and rewards of ownership of the asset or
 - (ii) has neither transferred nor retained substantially all the risks and rewards of ownership of the asset but has transferred control of the asset.

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or has expired.

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"). Financial liabilities are measured at amortised cost or FVTPL.

The classification of financial assets is based on the way a financial asset is managed and its contractual cash flow characteristics. Financial assets are measured at amortised cost if both of the following conditions are met and the financial asset or liability is not designated as at FVTPL:

- the financial asset is held with the objective of collecting or remitting contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held with the objectives of collecting contractual cash flows and selling the financial asset; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Accounting policies - continued

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, amounts due from related companies trade payables and interest-bearing borrowings. Based on the way these financial instruments are managed and their contractual cash flow characteristics, all the Company's financial instruments are measured at amortised cost using the effective interest method.

The amortised cost of financial assets is reduced by impairment losses as described below. Interest income, foreign exchange gains and losses, impairments and gains or losses on derecognition are recognised through the statement of comprehensive income.

Trade receivables and trade payables are held at their original invoiced value, as the interest that would be recognised from discounting future cash flows over the short credit period is not considered to be material.

Cash equivalents comprise short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short term. Cash and cash equivalents do not include other financial assets.

Impairment losses against financial assets carried at amortised cost are recognised by reference to any expected credit losses against those assets.

The simplified approach for calculating impairment of financial assets has been used for trade receivables. Lifetime expected credit losses are calculated by considering, on a discounted basis, the cash shortfalls that would be incurred in various default scenarios over the remaining lives of the assets and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

Loans from related parties and certain other receivables meet the criteria to be classified at amortised cost because they are held in a 'hold to collect' business model and meet the 'solely payments of principal and interest' ("SPPI") test and uses the general approach to calculate the expected credit loss. Under the general approach, at each reporting date, the company determines whether there has been a Significant Increase in Credit Risk (SICR) since initial recognition and whether the loan is credit impaired. If there has not been a SICR nor has the loan been credit impaired the company applies a 12-month credit loss alternatively the company applies a lifetime expected credit loss.

Lifetime expected credit loss are the losses that result from all possible default events over the expected life of the loan whereas 12-month expected credit loss are a portion of Lifetime expected credit loss that represent the credit loss that result from default events that are possible within 12 months of the reporting date.

Financial liabilities

Loans and accounts payables are classified as financial liabilities and are subsequently measured at amortised cost. Gains and losses are recognised in income when the financial liabilities are derecognised or impaired as well as through the amortisation process.

Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Impairment of financial assets

The company's financial assets are reviewed at each reporting date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether or not there is any indication of impairment.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

3. Accounting policies - continued

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

The charge for taxation is based on the profit or loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. It also includes any adjustments in relation to prior periods.

Provision is made at current rates for deferred tax in respect of all timing differences that have originated but not reversed at the period end. Deferred tax assets are only recognised to the extent that they are regarded as recoverable.

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

Leases

Right-of-use assets are stated at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the Group's incremental borrowing rate at commencement of the lease, less accumulated depreciation. Depreciation is calculated to write off the value of an asset over the lease term.

Where ownership of the right-of-use asset transfers to the lessee at the end of the lease term, the right-of-use asset is depreciated over the asset's remaining useful life. If ownership of the right-of-use asset does not transfer to the lessee at the end of the lease term, depreciation is charged over the shorter of the useful life of the right-of-use asset and the lease term.

The lease liabilities associated with right-of-use assets are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the Group's incremental borrowing rate at commencement of the lease.

Equity

Equity comprises the following:

- "called up share capital" represents the nominal value of ordinary equity shares;
- "retained earnings" include all other net gains and losses and transactions with owners not recognised elsewhere less dividends paid.

Going concern

The financial statements have been prepared on the going concern basis.

The directors of the company are satisfied after appropriate consultation with the directors of the group, review of the company's forecasts and projections, and taking into account of reasonably possible changes in trading performance and the current funds available, that the company is able to operate for at least twelve months from the signing of the Directors' Report and Financial Statements. For this reason, the directors believe that the company has adequate resources to continue in operational existence and therefore it is appropriate that the company continues to adopt the going concern basis in preparing the Directors' Report and Financial Statements.

SOUTHAM SOLAR FARM LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2024**4. Revenue****Revenue**

Revenue comprises:

	31.12.24 £	31.12.23 £
Electricity	697,632	864,007
ROCS	822,382	787,063
ROC Recycling	89,146	128,455
REGOs	2,824	2,979
Embedded Benefits	225	313
Other Revenue	11,318	128,554
TOTAL	1,623,528	1,911,371

5. Employees and directors

The average number of employees, excluding directors, during the year was nil (31.12.23: nil)

6. Net finance costs

	31.12.24 £	31.12.23 £
Finance income:		
Deposit account interest	9,007	-
Finance costs:		
Interest payable	883,070	884,812
Leasing	43,597	43,403
	<u>926,667</u>	<u>928,215</u>
Net finance costs	<u>917,660</u>	<u>928,215</u>

7. (Loss)/profit before income tax

The loss before income tax is stated after charging:

	31.12.24 £	31.12.23 £
Depreciation - owned assets	453,610	448,271
Depreciation - assets on finance leases	63,621	58,136
Lease Expense	43,597	43,403
Auditors' remuneration	<u>5,700</u>	

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

8. Income tax

Factors Affecting Total Tax Charge for the Current Period

The charge for the year can be reconciled to the profit per the income statement as follows:

	31.12.24 £	31.12.23 £
Profit/(Loss) per financial statements:	(112,811)	198,839
Tax on profit/(loss) at standard UK tax rate of 25% (2023: 23.52%)	(28,203)	46,768
Effects of:		
Adjustments in respect of prior years	-	-
Expenses not deductible	3,576	3,369
Effects of Group relief/other reliefs	-	-
Deferred tax unrecognised	(19,598)	(17,527)
Other	-	-
Tax for the period	(44,225)	32,610
Income tax expense reported in the income statement	(44,225)	32,610

Current (assets):

	31.12.24 £	31.12.23 £
Corporation tax	41,565	41,565
Group relief debtor	(301,081)	(256,856)
	(259,516)	(215,291)

Deferred tax (assets) / liabilities:

	31.12.24 £	31.12.23 £
Provision at start of period	-	-
Adjustment in respect of prior years	-	-
Deferred tax charge to I/S for the period	-	-
Provision at end of period	-	-
Fixed assets	417,588	637,970
Losses	(417,588)	(637,970)
	-	-

SOUTHAM SOLAR FARM LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2024**Unrecognised deferred tax:**

Losses

(187,462)(212,501)**9. Property, plant and equipment**

	Short leasehold £	Plant and machinery £	Totals £
Cost			
At 1 January 2024	1,288,161	11,144,042	12,432,203
Additions	28,201	96,670	124,871
At 31 December 2024	<u>1,316,362</u>	<u>11,240,712</u>	<u>12,557,074</u>
Depreciation			
At 1 January 2024	254,315	3,912,831	4,167,146
Charge for year	63,621	453,610	517,231
At 31 December 2024	<u>317,936</u>	<u>4,366,441</u>	<u>4,684,377</u>
Net book value			
At 31 December 2024	<u>998,426</u>	<u>6,874,271</u>	<u>7,872,697</u>
At 31 December 2023	<u>1,033,846</u>	<u>7,231,211</u>	<u>8,265,057</u>

10. Inventories

	31.12.24	31.12.23
	£	£
Stocks	<u>-</u>	<u>96,670</u>

11. Trade and other receivables

	31.12.24	31.12.23
	£	£
Current:		
Trade debtors	128,554	129,928
Other debtors	176,969	177,940
Group Relief Debtor	301,081	256,856
Intercompany parent	982,731	980,806
	<u>1,589,335</u>	<u>1,545,530</u>

Trade receivables are non-interest bearing and are generally on terms of 10 days. All trade receivables were either current or due within 90 days and no provision is made (31.12.23 - £nil) based upon the historic experience of default with these customers.

SOUTHAM SOLAR FARM LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2024**12. Cash and cash equivalents**

	31.12.24	31.12.23
	£	£
Bank accounts	<u>162,008</u>	<u>316,375</u>

13. Called up share capital**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	31.12.24	31.12.23
		£1	£	£
1	Ordinary		<u>1</u>	<u>1</u>

14. Reserves

	Retained earnings £
At 1 January 2024	(2,128,091)
Deficit for the year	<u>(68,586)</u>
At 31 December 2024	<u>(2,196,677)</u>

15. Trade and other payables

	31.12.24	31.12.23
	£	£
Current:		
Trade creditors	20,863	-
Other creditors	28,483	38,118
VAT	<u>124,849</u>	<u>116,571</u>
	<u>174,195</u>	<u>154,689</u>
Non-current:		
Shareholders Loan	<u>10,530,523</u>	<u>11,060,150</u>
Aggregate amounts	<u>10,704,718</u>	<u>11,214,839</u>

There are no material differences between the fair value and the carrying value of the above liabilities. The present value of the cash flows is reassessed at the end of each reporting period at the prevailing interest rate.

The company's principal financial liabilities comprise trade and other payables and loans.

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

16. Financial liabilities - borrowings

	31.12.24	31.12.23
	£	£
Current:		
Leases (see note 17)	<u>70,875</u>	<u>49,181</u>
Non-current:		
Leases (see note 17)	<u>1,003,558</u>	<u>1,046,137</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	More than 5 years £	Totals £
Leases	<u>70,875</u>	<u>73,653</u>	<u>239,394</u>	<u>690,511</u>	<u>1,074,433</u>

17. Leasing

Right-of-use assets

Property, plant and equipment

	31.12.24	31.12.23
	£	£
Cost		
At 1 January 2024	1,288,161	1,199,031
Additions	<u>28,201</u>	<u>89,130</u>
	<u>1,316,362</u>	<u>1,288,161</u>
Depreciation		
At 1 January 2024	254,315	196,178
Charge for year	<u>63,621</u>	<u>58,137</u>
	<u>317,936</u>	<u>254,315</u>
Net book value	<u>998,426</u>	<u>1,033,846</u>

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

17. Leasing - continued

Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	£
Lease liability as at 1 January 2024	1,095,320
Interest on lease liability recognised in Statement of Profit and Loss	43,597
Lease reduction	(92,683)
Lease remeasurement adjustment due to rent review with RPI increase	28,200
Lease Liability as at 31 December 2024	<u>1,074,433</u>

18. Events after the reporting period

After the year end, in order to reduce revenue volatility, the business entered into a power price hedging agreement at group level.

19. Financial instruments

Fair Value category

The financial assets and liabilities held by the Company for both 31 December 2024 and the 31 December 2023 were categorised under loans and receivables.

Fair value measurement

The fair value of the financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

	Carrying Amount 31.12.24 £	Carrying Amount 31.12.23 £	Fair Value 31.12.24 £	Fair Value 31.12.23 £
Financial assets:				
Trade and other receivables	1,274,755	1,277,867	1,274,755	1,277,867
Financial liabilities:				
Trade and other payables	1,504,745	1,133,437	1,504,745	1,133,437
Loans	10,530,523	11,060,150	10,530,523	11,060,150

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

SOUTHAM SOLAR FARM LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2024**20. Financial risk management**

The company's principal financial assets and liabilities comprise trade receivables, cash, interest bearing loans and trade payables.

The company has exposure to the following risks from its use of financial instruments:

- Market risks, including foreign currency, commodity price, interest rate, inflation rate risks
- Credit risk
- Liquidity risk
- Capital management risk

This note represents information about the company's exposure to each of the above risks and the company's objectives, policies and processes for assessing and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework.

a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The company is not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the company operates.

The company has exposure to interest rate risk. The company is fully funded by the parent company and has no floating rate interest bearing loans or borrowings at 31 December 2024 or 31 December 2023. The company does not intend to hold cash for the purpose of generating interest income.

b) Credit risk

The company's policy is aimed at minimising losses as a result of counterparty's failure to honour its obligations. Exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the company are considered by management to be of appropriate credit rating. At each balance sheet date, the company's financial assets were neither impaired nor past due. The maximum credit exposure at reporting date are the carrying value of the credit balances if any.

c) Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company monitors its risks of shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and obligations. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

Period ended 31 December 2024

	On demand £	Less than 3 months £	3 to 12 months £	2 to 5 years £	>5 years £	Total £
Financial Liabilities						
Trade and other payables	20,862	28,483	-	-	-	49,346

SOUTHAM SOLAR FARM LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
FOR THE YEAR ENDED 31 DECEMBER 2024

Owing to group company	-	-	-	-	10,530,522	10,530,522
Lease Liabilities	-	17,527	53,348	313,048	1,071,477	1,455,400
						<u>12,035,267</u>

Period ended 31 December 2023

	On demand £	Less than 3 months £	3 to 12 months £	2 to 5 years £	>5 years £	Total £
Financial Liabilities						
Trade and other payables	-	38,118	-	-	-	38,118
Owing to group company	-	-	-	-	11,060,150	11,060,150
Lease Liabilities	-	12,329	36,852	216,252	829,886	1,095,320
						<u>12,193,587</u>

d) Capital management

Management considers capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the company's capital management is to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a capital structure to reduce the cost of capital.

The company's policy is to finance its operations through a combination of equity, shareholder debt and bank borrowings. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders or issue new shares.

It is the company's policy not to hold financial instruments for speculative purposes.

21. Related party disclosure

At the period end the company owed a long-term loan of £10,530,522 to FS Southam Limited, a parent company. Interest payable is calculated at a flat rate of 8% and amounted to £883,070 during the reported period of which zero balance was outstanding at the year end.

The amount of £982,731 is owed by FS Southam Ltd for short term working capital requirements during the course of the year, which was outstanding at the year end.

During the reported period the aggregate cost of services provided by Foresight Asset Management Limited amounted to £45,634 of which zero balance was outstanding at the year end.

SOUTHAM SOLAR FARM LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2024

22. Ultimate controlling party

At 31 December 2024 the company was a wholly owned subsidiary of FS Southam Limited. Foresight Solar Fund Limited is the ultimate parent company incorporated in Jersey.