
MEADOW BLUE COMMUNITY ENERGY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

MEADOW BLUE COMMUNITY ENERGY LIMITED

COMPANY INFORMATION

Directors	Christopher Charles Rowland Nicholas John Rouse Roger Marshall Jonathan Parkinson Roy Thomas Broughton Clive Natrass (appointed 25 November 2022)
Registered number	R7099
Registered office	The Hub 2 Station Street Lewes East Sussex BN7 2DA
Independent auditors	Griffin Chartered Accountants & Statutory Auditor 165 High Street Honiton Devon EX14 1LQ

MEADOW BLUE COMMUNITY ENERGY LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Independent Auditors' Report	3 - 5
Consolidated Statement of Comprehensive Income	6
Consolidated Balance Sheet	7 - 8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10 - 11
Company Statement of Changes in Equity	12 - 13
Notes to the Financial Statements	14 - 25
The following pages do not form part of the statutory financial statements:	
Company Detailed Profit and Loss Account and Summaries	26 - 27

MEADOW BLUE COMMUNITY ENERGY LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report and the financial statements for the year ended 30 June 2023.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

Christopher Charles Rowland
Nicholas John Rouse
Roger Marshall
Jonathan Parkinson
Roy Thomas Broughton
Clive Natrass (appointed 25 November 2022)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023**

Auditors

The auditors, Griffin, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

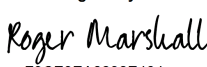
In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.


This report was approved by the board on 31st October 2023 and signed on its behalf.

DocuSigned by:

8D0CAB9981484CE
Christopher Rowland

Director

DocuSigned by:

F3CE3EA2232E484
Roger Marshall

DocuSigned by:

876E0596512E4A7...
Thomas Cosgrove

Company Secretary

MEADOW BLUE COMMUNITY ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEADOW BLUE COMMUNITY ENERGY LIMITED

Opinion

We have audited the financial statements of Meadow Blue Community Energy Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Conclusions relating 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 Group's or the parent 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.

MEADOW BLUE COMMUNITY ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEADOW BLUE COMMUNITY ENERGY LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

MEADOW BLUE COMMUNITY ENERGY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEADOW BLUE COMMUNITY ENERGY LIMITED (CONTINUED)

and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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 Group financial statements.

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:

Our audit procedures have reviewed for evidence of management override, any ongoing legal cases, completeness of related party transactions, as well as an ongoing consideration of fraud and irregularities during the whole audit process.

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

Use of our 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 Auditors' 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.

DocuSigned by:

0191F3AC8E57462...

Misty Nickells FCA (Senior Statutory Auditor)

for and on behalf of
Griffin

Chartered Accountants & Statutory Auditor

165 High Street
Honiton
Devon

EX14 1LQ

Date: 12/4/2023

MEADOW BLUE COMMUNITY ENERGY LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Turnover		712,245	765,481
Cost of sales		(113,942)	(99,327)
Gross profit		598,303	666,154
Administrative expenses		(369,600)	(392,364)
Other operating income	3	-	26,000
Operating profit		228,703	299,790
Interest receivable and similar income		4,854	379
Interest payable and similar expenses	6	(259,039)	(275,382)
(Loss)/profit before taxation		(25,482)	24,787
Tax on (loss)/profit		22,411	-
(Loss)/profit for the financial year		(3,071)	24,787
Total comprehensive income for the year		(3,071)	24,787
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(3,071)	24,787
		(3,071)	24,787

The notes on pages 14 to 25 form part of these financial statements.

MEADOW BLUE COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: R7099

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets		36,508	-
Tangible assets	8	4,482,949	4,764,205
		<u>4,519,457</u>	<u>4,764,205</u>
Current assets			
Debtors	10	36,508	286,271
Cash at bank and in hand	11	805,110	550,528
		<u>841,618</u>	<u>836,799</u>
Creditors: amounts falling due within one year	12	(537,379)	(437,749)
Net current assets		304,239	399,050
Total assets less current liabilities		4,823,696	5,163,255
Creditors: amounts falling due after more than one year	13	(3,826,517)	(4,081,505)
Provisions for liabilities			
Net assets excluding pension asset		997,179	1,081,750
Net assets		997,179	1,081,750
Capital and reserves			
Called up share capital	16	1,199,086	1,280,586
Capital redemption reserve		144,000	62,500
Profit and loss account		(345,907)	(261,336)
Equity attributable to owners of the parent Company		997,179	1,081,750
		<u>997,179</u>	<u>1,081,750</u>


MEADOW BLUE COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: R7099


CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2023

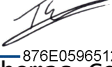
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

31st October 2023

DocuSigned by:

Christopher Rowland
Director

DocuSigned by:

Roger Marshall

DocuSigned by:

Thomas Cosgrove
Company Secretary

The notes on pages 14 to 25 form part of these financial statements.

MEADOW BLUE COMMUNITY ENERGY LIMITED
REGISTERED NUMBER: R7099

COMPANY BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets		36,508	-
Investments	9	1,732,088	1,732,088
		1,768,596	1,732,088
Current assets			
Debtors	10	997	33,325
Cash at bank and in hand	11	166,494	43,691
		167,491	77,016
Creditors: amounts falling due within one year	12	(1,005,565)	(1,028,483)
Net current liabilities		(838,074)	(951,467)
Total assets less current liabilities		930,522	780,621
Net assets excluding pension asset		930,522	780,621
Net assets		930,522	780,621
Capital and reserves			
Called up share capital	16	1,199,086	1,280,586
Capital redemption reserve		144,000	62,500
Profit and loss account brought forward		(562,465)	(439,635)
Profit/(loss) for the year		231,401	(82,830)
Other changes in the profit and loss account		(81,500)	(40,000)
Profit and loss account carried forward		(412,564)	(562,465)
		930,522	780,621


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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

31st October 2023

DocuSigned by:

 Director Christopher Rowland

DocuSigned by:

 Roger Marshall

DocuSigned by:

 Thomas Cosgrove

The notes on pages 14 to 25 form part of these financial statements. Company Secretary

MEADOW BLUE COMMUNITY ENERGY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 July 2022	1,280,586	62,500	(261,336)	1,081,750	1,081,750
Comprehensive income for the year					
Loss for the year	-	-	(3,071)	(3,071)	(3,071)
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	(3,071)	(3,071)	(3,071)
Contributions by and distributions to owners					
Purchase of own shares	-	81,500	(81,500)	-	-
Shares redeemed during the year	(81,500)	-	-	(81,500)	(81,500)
Total transactions with owners	(81,500)	81,500	(81,500)	(81,500)	(81,500)
At 30 June 2023	1,199,086	144,000	(345,907)	997,179	997,179

The notes on pages 14 to 25 form part of these financial statements.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Capital redemption reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 July 2021	1,320,586	22,500	(246,123)	1,096,963	1,096,963
Comprehensive income for the year					
Profit for the year	-	-	24,787	24,787	24,787
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	24,787	24,787	24,787
Contributions by and distributions to owners					
Purchase of own shares	-	40,000	(40,000)	-	-
Shares redeemed during the year	(40,000)	-	-	(40,000)	(40,000)
Total transactions with owners	(40,000)	40,000	(40,000)	(40,000)	(40,000)
At 30 June 2022	1,280,586	62,500	(261,336)	1,081,750	1,081,750

The notes on pages 14 to 25 form part of these financial statements.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2022	1,280,586	62,500	(562,465)	780,621
Comprehensive income for the year				
Profit for the year	-	-	231,401	231,401
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	231,401	231,401
	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners				
Purchase of own shares	-	81,500	(81,500)	-
Shares redeemed during the year	(81,500)	-	-	(81,500)
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	(81,500)	81,500	(81,500)	(81,500)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2023	1,199,086	144,000	(412,564)	930,522
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 25 form part of these financial statements.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2021	1,320,586	22,500	(439,635)	903,451
Comprehensive income for the year				
Loss for the year	-	-	(82,830)	(82,830)
	<hr/>	<hr/>	<hr/>	<hr/>
Other comprehensive income for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	-	(82,830)	(82,830)
	<hr/>	<hr/>	<hr/>	<hr/>
Contributions by and distributions to owners				
Purchase of own shares	-	40,000	(40,000)	-
Shares redeemed during the year	(40,000)	-	-	(40,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Total transactions with owners	(40,000)	40,000	(40,000)	(40,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2022	1,280,586	62,500	(562,465)	780,621
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 14 to 25 form part of these financial statements.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. General information

Meadow Blue Community Energy Ltd is a society registered under the Co-operative and Community Benefit Society Act 2014. The company registered number and registered office address can be found on the Company Information page.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Financial Statements have been prepared on a going concern basis. The directors have reviewed cash flow forecasts and are comfortable the business has the funding necessary to continue trading for a period of at least 12 months. The market for sale of electricity is bouyant and looks set to remain so in the near term, while funding is set for the long term.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 following criteria must also be met before revenue is recognised:

Revenue is primarily composed of income from the export of electricity and feed in tariff renewable energy support associated with the generation of that electricity.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.5 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

Interest bearing borrowings are initially recorded at fair value, net of transaction costs. Interest bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.12 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	10% and 4%
---------------------	---	------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.17 Financial instruments**

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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

3. Other operating income

	2023	2022
	£	£
Government grants receivable	-	26,000
	-	26,000
	-	26,000

Government grants were provided by the Regional Community Energy Fund to support feasibility studies and further development.

4. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023	2022
	£	£
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	3,300	3,000

5. Employees

The average monthly number of employees, including directors, during the year was 5 (2022 - 5).

6. Interest payable and similar expenses

	2023	2022
	£	£
Bank interest payable	176,406	184,162
Community Share Interest	82,633	91,220
	259,039	275,382
	259,039	275,382

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

7. Intangible assets

Group

	Development expenditure £
Cost	
Additions	36,508
At 30 June 2023	36,508
Net book value	
At 30 June 2023	36,508
<i>At 30 June 2022</i>	-

Company

	Development expenditure £
Cost	
Additions	36,508
At 30 June 2023	36,508
Net book value	
At 30 June 2023	36,508
<i>At 30 June 2022</i>	-

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

8. Tangible fixed assets

Group

	Plant and machinery £
Cost or valuation	
At 1 July 2022	6,361,827
At 30 June 2023	6,361,827
Depreciation	
At 1 July 2022	1,597,622
Charge for the year on owned assets	281,256
At 30 June 2023	1,878,878
Net book value	
At 30 June 2023	4,482,949
At 30 June 2022	4,764,205

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

9. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 July 2022	1,732,088
At 30 June 2023	1,732,088

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding
Merston Renewable Energy C.I.C.	The Hub, 2 Station Street, Lewes, BN7 2DA	Ordinary	100%

The aggregate of the share capital and reserves as at 30 June 2023 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Merston Renewable Energy C.I.C.	1,781,314	49,226

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

10. Debtors

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Deferred tax asset	22,411	-	-	-
Due within one year				
Trade debtors	310	209,920	-	-
Amounts owed by group undertakings	-	-	-	25,378
Prepayments and accrued income	13,787	76,351	997	7,947
	36,508	286,271	997	33,325

11. Cash and cash equivalents

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Cash at bank and in hand	805,110	550,528	166,494	43,691
	805,110	550,528	166,494	43,691

The cash balance includes £333,392 (2022: £330,351) of funds which are restricted to comply with loan covenants and retain funds for inverter replacement.

12. Creditors: Amounts falling due within one year

	Group 2023	<i>Group 2022</i>	Company 2023	<i>Company 2022</i>
	£	£	£	£
Bank loans	262,317	216,989	-	-
Trade creditors	19,083	32,395	5,595	14,653
Amounts owed to group undertakings	-	-	848,600	908,574
Other taxation and social security	19,081	18,640	463	2,621
Accruals and deferred income	236,898	169,725	150,907	102,635
	537,379	437,749	1,005,565	1,028,483

The bank borrowings are secured by fixed and floating charges over the group's assets

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

13. Creditors: Amounts falling due after more than one year

	Group 2023 £	<i>Group 2022 £</i>
Bank loans	3,826,517	<i>4,081,505</i>
	<u>3,826,517</u>	<u><i>4,081,505</i></u>
	<u>3,826,517</u>	<u><i>4,081,505</i></u>

The bank borrowings are secured by fixed and floating charges over the group's assets

14. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	<i>Group 2022 £</i>
Amounts falling due within one year		
Bank loans	262,317	<i>216,989</i>
	<u>262,317</u>	<u><i>216,989</i></u>
Amounts falling due 1-2 years		
Bank loans	285,438	<i>261,871</i>
	<u>285,438</u>	<u><i>261,871</i></u>
Amounts falling due 2-5 years		
Bank loans	928,341	<i>890,218</i>
	<u>928,341</u>	<u><i>890,218</i></u>
Amounts falling due after more than 5 years		
Bank loans	2,612,738	<i>2,929,416</i>
	<u>2,612,738</u>	<u><i>2,929,416</i></u>
	<u>4,088,834</u>	<u><i>4,298,494</i></u>
	<u>4,088,834</u>	<u><i>4,298,494</i></u>

MEADOW BLUE COMMUNITY ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

15. Deferred taxation

Group

	2023 £
Charged to profit or loss	22,411
At end of year	<u>22,411</u>
	Group 2023 £
Accelerated capital allowances	(290,994)
Tax losses carried forward	313,405
	<u>22,411</u>

16. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,199,086 (2022 - 1,280,586) Ordinary shares of £1.00 each	<u>1,199,086</u>	<u>1,280,586</u>

MEADOW BLUE COMMUNITY ENERGY LIMITED

**COMPANY DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Turnover		42,773	42,626
Gross profit		<u>42,773</u>	<u>42,626</u>
Gross profit %		100.0 %	100.0 %
Other operating income		-	26,000
Less: overheads			
Administration expenses		(29,868)	(60,236)
Operating profit		<u>12,905</u>	<u>8,390</u>
Interest payable		(82,633)	(91,220)
Investment income		301,129	-
Profit/(Loss) for the year		<u><u>231,401</u></u>	<u><u>(82,830)</u></u>

MEADOW BLUE COMMUNITY ENERGY LIMITED

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 £	2022 £
Turnover		
Management Charges	22,773	22,626
Community Benefit Services	20,000	20,000
	42,773	42,626
	42,773	42,626

Other operating income

	2023 £	2022 £
Administration expenses		
Consultancy	-	28,540
Advertising and promotion	16	-
Trade subscriptions	250	-
Legal and professional	15,786	16,714
Auditors' remuneration	3,317	3,000
Bank charges	4	4
Community benefit costs	8,255	10,191
Insurances	2,240	1,787
	29,868	60,236
	29,868	60,236

	2023 £	2022 £
Interest payable		
Other interest - Community Shares	82,633	91,220
	82,633	91,220
	82,633	91,220

	2023 £	2022 £
Investment income		
Income from investments in group companies	301,129	-
	301,129	-
	301,129	-