

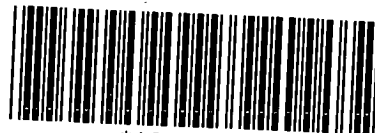
Registered number: 07238631

GREEN HEDGE ENERGY UK LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

FRIDAY



A16

A8290X6R

29/03/2019

#457

COMPANIES HOUSE

GREEN HEDGE ENERGY UK LIMITED

COMPANY INFORMATION

Directors

C Campbell
G Toms (resigned 27 November 2018)
J Mapplebeck
M Resta
N Kroninger
D Faber (resigned 2 July 2018)
AJH Lebrun-Lambeau (resigned 28 September 2018)

Registered number

07238631

Registered office

100 Brompton Road
2nd Floor
London
England
SW3 1ER

GREEN HEDGE ENERGY UK LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 15

GREEN HEDGE ENERGY UK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2018

The directors present their report and the financial statements for the year ended 30 June 2018.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 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 for the Company'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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's activities in 2017 were providing planning, design and technical expertise to the renewable energy market in the UK. Following a group restructure the principal activities of the company in 2018 were that of a holding company.

Directors

The directors who served during the year were:

C Campbell (appointed 5 July 2017)
G Toms (resigned 27 November 2018)
J Mapplebeck (appointed 5 July 2017)
M Resta (appointed 5 July 2017)
N Kroninger
D Faber (resigned 2 July 2018)
AJH Lebrun-Lambeau (resigned 28 September 2018)

GREEN HEDGE ENERGY UK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2018**

Disclosure of information to auditor

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's auditor is 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's auditor is aware of that information.

Auditor

The auditor, Crowe U.K. LLP, 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

25/2/2019

and signed on its behalf.


J Mapplebeck
Director

GREEN HEDGE ENERGY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GREEN HEDGE ENERGY UK LIMITED

Opinion

We have audited the financial statements of Green Hedge Energy UK Limited (the 'Company') for the year ended 30 June 2018, which comprise the Statement of comprehensive income, the Balance sheet, the 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 Company's affairs as at 30 June 2018 and of its 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 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 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.

Material uncertainty related to going concern

We draw attention to note 2.2 in the financial statements, which indicates that the company requires continued financial support from the shareholders of the company. The events and conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter

We also draw attention to note 3 in the financial statements, which indicates the judgments applied in regard to determining the carrying value of amounts owed by subsidiary companies. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material

GREEN HEDGE ENERGY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GREEN HEDGE ENERGY UK LIMITED (CONTINUED)

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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; 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 Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement 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 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.

GREEN HEDGE ENERGY UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF GREEN HEDGE ENERGY UK LIMITED (CONTINUED)

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's 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 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.

Crowe U.K. LLP

Rhodri Whitlock (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

St Bride's House
10 Salisbury Square
London
EC4Y 8EH

Date:

1 March 2019

GREEN HEDGE ENERGY UK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 £	2017 £
Turnover		1,760	879,033
Cost of sales		(70,757)	(287,304)
Gross (loss)/profit		(68,997)	591,729
Administrative expenses		(1,924,341)	(1,315,533)
Other operating income	4	952,305	-
Operating loss		(1,041,033)	(723,804)
Total comprehensive income for the year		31,775	-
Interest payable and expenses		(322,232)	-
Loss before tax		(1,331,490)	(723,804)
Loss for the financial year		(1,331,490)	(723,804)

There was no other comprehensive income for 2018 (2017: £NIL).

The notes on pages 9 to 15 form part of these financial statements.

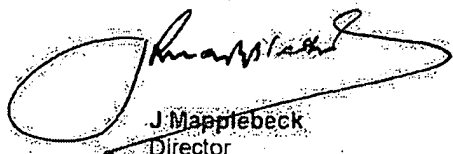
GREEN HEDGE ENERGY UK LIMITED
REGISTERED NUMBER: 07238631

BALANCE SHEET
AS AT 30 JUNE 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	18,578	30,113
Investments	7	2	101
		<u>18,580</u>	<u>30,214</u>
Current assets			
Debtors: amounts falling due within one year	8	2,115,587	984,373
Cash at bank and in hand		359,699	255,617
		<u>2,475,286</u>	<u>1,239,990</u>
Creditors: Amounts falling due within one year	9	(395,151)	(1,263,619)
Net current assets/(liabilities)		<u>2,080,135</u>	<u>(23,629)</u>
Total assets less current liabilities		<u>2,098,715</u>	<u>6,585</u>
Creditors: amounts falling due after more than one year	10	(3,423,620)	
Net (liabilities)/assets		<u>(1,324,905)</u>	<u>6,585</u>
Capital and reserves			
Called up share capital		50,000	50,000
Other reserves		5,704,045	4,752,571
Profit and loss account		(7,078,950)	(4,795,986)
		<u>(1,324,905)</u>	<u>6,585</u>

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 25/02/2019


J. Mapplebeck
 Director

The notes on pages 9 to 15 form part of these financial statements.

GREEN HEDGE ENERGY UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 July 2016	50,000	4,752,571	(4,072,182)	730,389
Comprehensive income for the year				
Loss for the year	-	-	(723,804)	(723,804)
At 1 July 2017	50,000	4,752,571	(4,795,986)	6,585
Comprehensive income for the year				
Loss for the year	-	-	(1,331,490)	(1,331,490)
Transfer to/from profit and loss account	-	951,474	(951,474)	-
At 30 June 2018	50,000	5,704,045	(7,078,950)	(1,324,905)

GREEN HEDGE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The registered number of the company is 07238631 and the address of the registered office is 100 Brompton Road, 2nd floor, London, SW3 1ER.

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 following principal accounting policies have been applied:

2.2 Going concern

When evaluating the Company's ability to continue as a going concern, the directors have had regard to the company's loss after provisions for the year under review of £1.6m and net liabilities of £1.6m. The directors note that the results are after making provisions against certain of the Company's assets and does not fully reflect the impact of a significant cost cutting plan which was implemented in March 2018 ensuring the Company has a lean costs base while it evaluates a range of options to invest and operate in the battery storage sector following changes to government policy.

In March 2018, the Directors received a confirmation letter of continued support from the parent company of Green Hedge Energy UK indicating that it was their present policy to provide financial support for at least the twelve month period following the date of approval of these financial statements. This support was renewed on (20 December 2018). Based on the combined benefit of the financial support being provided, the reduced costs base, the current level of cash held by the company and the existence of a number of viable trading options, the directors, with the continued support from shareholders, remain satisfied it is appropriate to prepare the financial statements on the basis that the Company is a going concern. Consequently, no provision has been made within these financial statements against the carrying value of its assets and liabilities should the Company not be able to continue in business.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

GREEN HEDGE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 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:

Short-term leasehold property	±	Over the lease term
Motor vehicles	±	33% Straight line
Fixtures and fittings	±	20% Straight line
Office equipment	±	25% Straight line

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 the Statement of comprehensive income.

GREEN HEDGE ENERGY UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 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.

2.11 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.

2.12 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.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The valuation of amounts owed by subsidiary companies has been assessed by the directors with consideration of the net assets and future cash flows of each subsidiary and the expected value of the underlying completed development. However, for these projects to proceed additional funding is required from the principal shareholder. On the same basis as going concern described in Note 2.2 the directors remain satisfied that continued financial support and further funding will be received. The expected future cash flows have taken account of the costs to complete the development and future revenue.

GREEN HEDGE ENERGY UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

4. Other operating income

	2018 £	2017 £
Debt forgiveness received	951,474	
Profit on disposal of tangible assets	831	
	<u>952,305</u>	

5. Employees

The average monthly number of employees, including directors, during the year was 11 (2017 - 10).

6. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 July 2017	25,888	76,068	90,312	192,268
Additions			1,092	1,092
Disposals		(21,654)	(84,466)	(106,120)
At 30 June 2018	<u>25,888</u>	<u>54,414</u>	<u>6,938</u>	<u>87,240</u>
Depreciation				
At 1 July 2017	25,888	48,861	87,406	162,155
Charge for the year on owned assets		10,883	1,744	12,627
Disposals		(21,654)	(84,466)	(106,120)
At 30 June 2018	<u>25,888</u>	<u>38,090</u>	<u>4,684</u>	<u>68,662</u>
Net book value				
At 30 June 2018		<u>16,324</u>	<u>2,254</u>	<u>18,578</u>
At 30 June 2017		<u>27,207</u>	<u>2,906</u>	<u>30,113</u>

GREEN HEDGE ENERGY UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

7. Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 July 2017	101
Disposals	(99)
At 30 June 2018	<u>2</u>
Net book value	
At 30 June 2018	<u>2</u>
At 30 June 2017	<u>101</u>

8. Debtors

	2018 £	2017 £
Trade debtors	831	-
Amounts owed by group undertakings	2,019,224	939,960
Other debtors	95,532	44,413
	<u>2,115,587</u>	<u>984,373</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	8,056	96,182
Amounts owed to group undertakings	86	951,574
Other taxation and social security	21,469	20,676
Other creditors	365,540	195,187
	<u>395,151</u>	<u>1,263,619</u>

GREEN HEDGE ENERGY UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

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

	2018 £	2017 £
Other loans	3,423,620	-
	<u>3,423,620</u>	<u>-</u>

During the year secured loan notes were issued. These loan notes carry a 12% fixed interest rate and are repayable in July 2027.

11. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due after more than 5 years		
Other loans	3,423,620	-
	<u>3,423,620</u>	<u>-</u>
	<u>3,423,620</u>	<u>-</u>

12. Commitments under operating leases

At 30 June 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	-	36,436
Later than 1 year and not later than 5 years	-	73,052
	<u>-</u>	<u>109,488</u>

GREEN HEDGE ENERGY UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

13. Related party transactions

As at balance sheet date the following amounts were owed from/(to) related parties:

	2018 £	2017 £
Green Hedge International Limited	(467,796)	(275,985)
AEE Renewables MT1 Limited	-	(675,588)
G Toms	(14,618)	-
AJH Lebrun-Lambeau	(14,618)	-
	<u>(497,032)</u>	<u>(951,573)</u>

14. Controlling party

The immediate and ultimate parent company is REEIF Storage Limited, a company incorporated in the UK with a registered office at 100 Brompton Road, London, United Kingdom, SW3 1ER.