

Registered number: 07477370

PHOENIX RENEWABLES LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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PHOENIX RENEWABLES LTD

COMPANY INFORMATION

Directors

J Agnew
L Milner
J D Pearson
J S Simpson

Registered number

07477370

Registered office

Griffin House
161 Hammersmith Road
London
W6 8BS

Independent auditor

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

PHOENIX RENEWABLES LTD

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PHOENIX RENEWABLES LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and audited financial statements of Phoenix Renewables Ltd (the "company") for the year ended 31 December 2021.

Principal activities and business review

The company trades as Egg upon the change of its trading name on 4 February 2022, having previously traded as The Phoenix Works up to that day. The principal activity of the company during the year was, and will continue to be, the supply, installation and maintenance of green energy technology solutions for the renewable energy sector for both commercial and domestic customers.

At 31 December 2021 the company was a wholly-owned subsidiary of Liberty Global plc. The 2021 Liberty Global Annual Report is available to the public and may be obtained from the Liberty Global's website at www.libertyglobal.com, or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, UK, W6 8BS.

Liberty Global plc group ("Liberty Global" or the "group") is an international provider of broadband internet, video, fixed-line telephony and mobile communications services to residential customers and businesses in Europe. Liberty Global's continuing operations comprise businesses that provide residential and business-to-business (B2B) communications services in (i) Switzerland and Slovakia through certain wholly-owned subsidiaries that the group collectively refer to as "UPC Holding", (ii) Belgium through Telenet Group Holding N.V. (Telenet), a 60.8%-owned subsidiary, and (iii) Ireland through another wholly-owned subsidiary (VM Ireland). In addition, the group own 50% noncontrolling interests in (a) a 50:50 joint venture with Vodafone Group plc (Vodafone) (the VodafoneZiggo JV), which provides residential and B2B communication services in the Netherlands, and (b) a 50:50 joint venture with Telefónica SA (Telefónica) (the VMO2 JV), which provides residential and B2B communication services in the United Kingdom (UK). In addition, Liberty Global's global investment arm has investments in more than 75 companies and funds in the fields of content, technology, and infrastructure, including strategic stakes in companies such as Plume Design, Inc., ITV plc, Lions Gate Entertainment Corp, Univision Holdings Inc., the Formula E racing series and several regional sports networks.

At 31 December 2021 Liberty Global deliver market-leading products through next-generation networks that connect retail and wholesale customers subscribing to over 85 million broadband internet, video, fixed-line telephony and mobile services across Liberty Global's brands.

Results and dividends

The loss for the year, after tax, amounted to £5,037,000 (period from 1 April 2020 to 31 December 2020 - loss of £1,429,000).

The directors have not recommended an ordinary dividend (period from 1 April 2020 to 31 December 2020 - £nil).

In March 2020, the World Health Organisation declared the outbreak of coronavirus (COVID-19) to be a global pandemic. In response to the COVID-19 pandemic, emergency measures were imposed by governments worldwide, including travel restrictions, restrictions on social activity and the shutdown of non-essential businesses. For the year ended 31 March 2020, which fell a week after the UK government imposed the first national COVID-19 lockdown measures on 23 March 2020, as a result the company did not hold a physical count of its inventory as at that date. Therefore, the company's former external auditors, PricewaterhouseCoopers LLP, were also unable to attend a count and perform usual audit procedures to verify the existence and completeness of the company's inventory as at 31 March 2020. Consequently, the audit opinion for the financial year end 31 March 2020 was a qualified opinion in respect to inventory and cost of sales, and therefore the company's current external auditors KPMG LLP have also issued qualified audit opinions for both period ended 31 December 2020 and year ended 31 December 2021 with respect of the opening inventory position at 1 April 2020 and cost of sales for the period ended 31 December 2020. The company was able to perform a physical inventory count as at 30 June 2020 which was attended by the then external auditors, PricewaterhouseCoopers LLP, which did not indicate any significant issues with accounting records for inventory. On this basis, the directors concluded that the inventory value held on the company's balance sheet as at 31 March 2020, 31 December 2020 and 31 December 2021 were materially correct, based on their knowledge of the minor movements in stock as a result of the national lockdown and controls in place regarding stock control at the company's warehouse.

Directors

The directors who served during the year and thereafter were as follows:

J Agnew (appointed 31 October 2022)
D W E Alexander (appointed 9 June 2022, resigned 31 October 2022)
L Milner (appointed 26 October 2021)
M N Morgan (resigned 16 September 2022)
T Newby (resigned 31 May 2022)
J D Pearson
J S Simpson

The directors of the company have been indemnified against liability in respect of proceedings brought by third parties, subject to conditions set out in the Companies Act 2006. Such qualifying third party indemnity provisions is in force for directors serving during the financial year and as at the date of approving the Directors' report.

PHOENIX RENEWABLES LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern

After making suitable enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements. Consideration of the on-going impact of COVID-19 has not altered this conclusion.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that they are obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

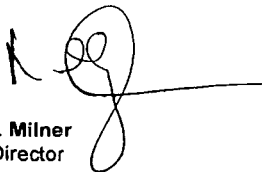
Auditor

KPMG LLP will be reappointed under section 487(2) of the Companies Act 2006.

Small company provisions

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

This report was approved by the board on 8 November 2022 and signed on its behalf.


L Milner
Director

PHOENIX RENEWABLES LTD

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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 the company for each financial year. Under that law they 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 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 judgements and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The 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 them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOENIX RENEWABLES LTD

Qualified opinion

We have audited the financial statements of Phoenix Renewables Ltd ("the company") for the year ended 31 December 2021 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2021.

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, which affects solely the comparative information for the period ended 31 December 2020, the financial statements:

- give a true and fair view of the company's loss for the year ended 31 December 2021;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion

With respect to stock having a carrying amount of £289,000 as at 31 March 2020, the audit evidence available to us was limited because we were unable to observe the counting of the physical stock as at 31 March 2020, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, and owing to the previous auditor issuing a qualified audit opinion for the year ended 31 March 2020 on the basis that the company was unable to perform a year-end stock count due to the national lockdown imposed on 23 March 2020, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. Any adjustments would have a consequential effect on the company's loss for the period ended 31 December 2020. We also qualified our audit opinion on the financial statements for the period ended 31 December 2020 with regard to the same limitation.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our qualified opinion.

Going concern

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

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

Our conclusions based on this work:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOENIX RENEWABLES LTD (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

Our risk assessment procedures included:

- Enquiring of directors as to the company's high-level policies and procedures to prevent and detect fraud, including the company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected, or alleged fraud.
- Reading Board minutes.
- Considering remuneration incentive schemes and performance targets for management.

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

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of the company-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by individuals who typically do not make journal entries or are not authorised to post journal entries and those posted to unusual/unrelated accounts.
- Selecting a risk-based sample of revenue transaction recorded in close proximity to year end, vouching these to supporting documentation to assess whether they had been recorded in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards), and from inspection of the company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

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

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

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

The *Qualified opinion*, *Directors' report* and *Matters on which we are required to report by exception* sections of our report explain the implications of the matter described in the *Basis for qualified opinion* in compliance with the requirements of the Companies Act 2006.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOENIX RENEWABLES LTD (CONTINUED)

Directors' report

The directors are responsible for the Directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

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

- except for the possible consequential effects of the matter described in the *Basis for qualified opinion* section of our report on the related disclosures in the Directors' report:
 - we have not identified material misstatements in that report; and
 - in our opinion that report has been prepared in accordance with the Companies Act 2006.
- in our opinion the information given in the Directors' report for the financial year is consistent with the financial statements.

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the comparative information for the period ended 31 December 2020, as described above:

- we have not obtained all information and explanation that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

We have nothing to report in respect of the following matters where Companies Act 2006 requires us to report to you, if, in our opinion:

- 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
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report.

Directors' responsibilities

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

Auditor's responsibilities

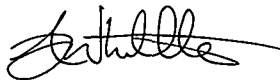
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOENIX RENEWABLES LTD (CONTINUED)

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

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Antony Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter Square
Manchester
M2 3AE

9 November 2022

PHOENIX RENEWABLES LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	Period from 1 April 2020 to 31 December 2020 £000
Revenue		2,283	1,577
Cost of sales		(2,804)	(2,068)
Gross loss		(521)	(491)
Other operating income	4	-	118
Administrative expenses		(4,335)	(1,007)
Operating loss	5	(4,856)	(1,380)
Finance costs	9	(181)	(49)
Loss before tax		(5,037)	(1,429)
Income tax expense	10	-	-
Loss for the year		(5,037)	(1,429)

There was no other comprehensive income or expenditure for 2021 or the period ended 31 December 2020 other than that included in the profit and loss account.

The notes on pages 11 to 21 form part of these financial statements.

All results were derived from continuing operations.

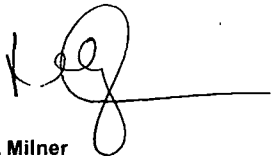
PHOENIX RENEWABLES LTD
REGISTERED NUMBER:07477370

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Intangible assets	11	238	6
Tangible fixed assets	12	396	232
		<u>634</u>	<u>238</u>
Current assets			
Inventories		618	362
Debtors: amounts falling due within one year	14	561	280
Cash and cash equivalents		415	138
		<u>1,594</u>	<u>780</u>
Creditors: amounts falling due within one year	15	<u>(1,562)</u>	<u>(552)</u>
Net current assets		<u>32</u>	<u>228</u>
Total assets less current liabilities		<u>666</u>	<u>466</u>
Creditors: amounts falling due after more than one year	16	<u>(338)</u>	<u>(1,401)</u>
Net assets/(liabilities)		<u><u>328</u></u>	<u><u>(935)</u></u>
Capital and reserves			
Share capital	17	3,121	3,121
Share premium account	18	6,300	-
Accumulated losses	18	(9,093)	(4,056)
Total shareholder's funds/(deficit)		<u><u>328</u></u>	<u><u>(935)</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 9 November 2022.


L. Milner
 Director

The notes on pages 11 to 21 form part of these financial statements.

PHOENIX RENEWABLES LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Share capital	Share premium account	Accumulated losses	Total shareholder's (deficit)/funds
	£000	£000	£000	£000
Balance as at 1 January 2021	3,121	-	(4,056)	(935)
Comprehensive income for the year				
Loss for the year	-	-	(5,037)	(5,037)
Total comprehensive income for the year	-	-	(5,037)	(5,037)
Issue of share capital (note 17)	-	6,300	-	6,300
Balance as at 31 December 2021	3,121	6,300	(9,093)	328

**STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTH PERIOD ENDED 31 DECEMBER 2020**

	Share capital	Accumulated losses	Total shareholder's deficit
	£000	£000	£000
Balance as at 1 April 2020	-	(2,627)	(2,627)
Comprehensive income for the period			
Loss for the period	-	(1,429)	(1,429)
Total comprehensive income for the period	-	(1,429)	(1,429)
Issue of share capital	3,121	-	3,121
Balance as at 31 December 2020	3,121	(4,056)	(935)

The notes on pages 11 to 21 form part of these financial statements.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Company information

Phoenix Renewables Ltd (the "company") is a private company incorporated, domiciled and registered in the UK. The registered number is 07477370. The registered address is Griffin House, 161 Hammersmith Road, London, W6 8BS.

2. Accounting policies

A summary of the principal accounting policies is set out below. All accounting policies have been applied consistently, unless noted below.

2.1 Basis of accounting

These financial statements have been prepared on a going concern basis, and under the historical cost basis in accordance with the Companies Act 2006 and Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

The financial statements are presented in Sterling ('£') and rounded to the nearest thousand.

The company's ultimate parent undertaking, Liberty Global plc, includes the company in its consolidated financial statements. In these financial statements, the company is considered to be a quality entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital, property, plant and equipment and intangible assets;
- reconciliation of the number of shares outstanding for the beginning to the end of the period;
- disclosures in respect of related party transactions with fellow group undertakings; and
- disclosures in respect of the compensation of key management personnel.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 3.

2.2 Going concern

The financial statements have been approved on the assumption that the company will continue to be a going concern:

The going concern assessment of Phoenix Renewables Ltd is performed as that a subsidiary of Liberty Global. It is Liberty Global's practice for operational and financial management to be undertaken at a group level rather than for individual entities that are wholly-owned by the group. As part of normal business practice, regular cash flow forecasts for both short and long term commitments are undertaken at group level.

Forecasts and projections prepared for Liberty Global as a whole group, indicate that cash on hand, together with cash from operations and undrawn revolving credit facilities, are expected to be sufficient for the group's and hence the company's cash requirements through to at least twelve months from the approval of these financial statements.

Whilst the detailed cash flow forecasts are prepared at the group level, the directors have also assessed the position of the company, including the forward looking business plan of the company. This assessment indicates that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its fellow subsidiary company, Liberty Global Europe 2 Limited, to meet its liabilities as they fall due for that period. Liberty Global Europe 2 Limited has indicated its intention to continue to make available such funds for at least twelve months from the approval of these financial statement

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and have prepared the financial statements on a going concern basis. Consideration of the on-going impact of COVID-19 has not altered this conclusion.

2.3 Revenue

Revenue from the sale of green renewable energy technology solutions includes sale of goods and rendering of services. For revenue from the sale of goods, revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work completed to date to the total estimated contract costs.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Other operating income

Other operating income consists of grant income from the Coronavirus Job Retention Scheme.

2.5 Intangible fixed assets

Intangible assets with finite lives are amortized on a straight-line basis over their respective estimated useful lives, and reviewed for indications of impairment at each reporting date. Amortisation methods and useful lives are reviewed at each reporting date and are adjusted as appropriate.

Separately identified intangible assets such as software costs are amortised over their useful economic lives, up to a maximum of three years, on a straight line basis.

2.6 Property, plant and equipment

Depreciation is provided on all property, plant and equipment, other than freehold land, on a straight line basis at rates calculated to write off the cost of each asset over the shorter of its leasing period or estimated useful economic life as follows:

Plant and machinery	- 4 years
Motor vehicles	- 4 years
Fixtures and fittings	- 5 years
Computer equipment	- 3 years
Indra electric vehicle charging unit	- 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

2.7 Inventories

Inventories are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a first in first out basis.

2.8 Trade and other debtors

Trade and other debtors are initially measured at fair value and subsequently reported at amortised cost, net of an allowance for impairment of trade debtors.

The company uses a forward looking impairment model which uses a lifetime expected loss allowance which is estimated based upon our assessment of anticipated loss related to uncollectible accounts receivable. We use a number of factors in determining the allowance, including, among other things, collection trends, prevailing and anticipated economic conditions, and specific customer credit risk. The allowance is maintained until either payment is received or the likelihood of collection is considered to be remote.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Creditors are presented as amounts falling due within one year unless payment is not due within 12 months after the reporting period.

2.11 Employee benefits

Defined contribution pension plan

The company operates a defined contribution plan for its employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of each plan.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Non derivative financial instruments

Cash and cash equivalents, current trade and other debtors, related-party debtors and payables, certain other current assets, creditors, certain accrued liabilities and value-added taxes (VAT) payable represent financial instruments that are initially recognised at fair value and subsequently carried at amortised cost. Due to their relatively short maturities, the carrying values of these financial instruments approximate their respective fair values.

Loans and other debtors are financial assets with fixed or determinable payments that are not quoted in an active market. Such loans and other debtors are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and debtors are measured at amortised cost using the effective interest method, less any impairment losses.

The company initially recognises loans and receivables on the date they are originated. All other financial assets (including assets designated as fair value through the statement of profit or loss) are recognised initially on the trade date, which is the date that the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

The company initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

2.13 Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax assets relating to deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside its profit or loss.

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.13 Deferred tax (continued)

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

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

In preparing these financial statements, management has made estimates and judgements that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and assumptions

Amortisation of intangible assets and depreciation of property, plant and equipment

Amortisation is charged on all intangible assets and depreciation is provided on all property, plant and equipment, other than construction in progress, on a straight line basis at rates calculated to write off the cost of each asset over its estimated useful life. The estimation of an assets useful economic life has a significant effect on the annual amortisation and depreciation charge. The useful life and carrying values are reviewed annually for impairment and where adjustments are required, these are made prospectively.

Calculation of inventory provision

The company supplies, installs and maintains green energy technology solutions. As a result, it is necessary to consider the recoverability of the cost of inventory and associated provisioning required. When calculating the inventory provision, management considers the nature of the condition of the inventory, as well as applying assumptions around anticipated saleability and future usage.

Judgements

Recoverability of deferred tax assets

Deferred tax assets are recognised for unused tax losses and allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4. Other operating income

Other operating income of £nil (period from 1 April 2020 to 31 December 2020 - £118,000) represents grant income receipt from the Coronavirus Job Retention Scheme.

PHOENIX RENEWABLES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Operating loss

The operating loss is stated after charging/(crediting):

	2021 £000	Period from 1 April 2020 to 31 December 2020 £000
Depreciation of property, plant and equipment	133	37
Depreciation of assets on finance lease	-	54
Amortisation of intangible assets	5	4
Impairment of intangible assets	-	28
Net gain on disposal of property, plant and equipment	-	(14)
	<u> </u>	<u> </u>

Certain expenses are specifically attributed to the company. Where costs are incurred by other group companies on behalf of the company, expenses are allocated to the company on a basis that, in the opinion of the directors, is reasonable.

6. Auditor's remuneration

The company paid the following amounts to its auditor in respect of the audit of the financial statements and other services provided to the company.

	2021 £000	2020 £000
Fees for the audit of the company	<u>35</u>	<u>30</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employees

	2021 £000	Period from 1 April 2020 to 31 December 2020 £000
Wages and salaries	2,872	1,422
Social security	291	34
Defined contribution pension cost	99	7
	<u>3,262</u>	<u>1,463</u>

The average monthly number of employees, including the directors, during the year (2020 - period) was as follows:

	2021 No.	Period from 1 April 2020 to 31 December 2020 No.
Corporate	7	2
Engineering	36	30
Administrative	24	12
Operations	15	4
	<u>82</u>	<u>48</u>

8. Director's remuneration

	2021 £000	Period from 1 April 2020 to 31 December 2020 £000
Director's emoluments	<u>291</u>	<u>31</u>

The highest paid director received remuneration of £121,000 (2020 - £21,000).

During the year, no retirement benefits were accrued in respect of defined contribution pension schemes. The company contributed £20,000 (period from 1 April 2020 to 31 December 2020 - £nil) to a defined contribution pension scheme for the directors.

PHOENIX RENEWABLES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Finance costs

	2021 £000	Period from 1 April 2020 to 31 December 2020 £000
Interest on amounts owed to group undertakings	179	8
Other finance income	2	41
	<u>181</u>	<u>49</u>

10. Income tax expense

Tax expense included in profit or loss:

	2021 £000	Period from 1 April 2020 to 31 December 2020 £000
Current tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Tax on loss	<u>-</u>	<u>-</u>

The tax assessed for the year is higher than (period from 1 April 2020 to 31 December 2020 - higher than) the standard rate of corporation tax in the UK of 19% (period 1 April 2020 to 31 December 2020 - 19%). The differences are explained below:

	2021 £000	Period from 1 April 2020 to 31 December 2020 £000
Loss before tax	(5,037)	(1,429)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(957)	(272)
Effects of:		
Expenses not deductible for tax purposes	-	3
Remeasurement of deferred tax for changes in tax rates	(554)	-
Movement in deferred tax not recognised	1,511	269
Tax expense	<u>-</u>	<u>-</u>

PHOENIX RENEWABLES LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Income tax expense (continued)

Factors that may affect future tax charges

In March 2021, legislation was introduced to increase the UK corporate income tax rate from 19% to 25% from 1 April 2023. This rate change was substantively enacted on 24 May 2021 and enacted on 10 June 2021 (Finance Bill 2021). This will have an impact on the company's future tax charge and deferred tax balances when substantively enacted.

Gross deferred tax assets in respect of losses of £8,993,000 (2020 - £4,022,000) and depreciation in excess of capital allowances of £252,000 (2020 - £189,000) have not been recognised as there is currently no persuasive evidence that there will be suitable taxable profits against which these timing differences will reverse.

11. Intangible assets

	IT software £000	Construction in progress £000	Total £000
Cost			
At 1 January 2021	187	-	187
Additions	-	237	237
At 31 December 2021	187	237	424
Accumulated amortisation and impairment			
At 1 January 2021	181	-	181
Charge for the year on owned assets	5	-	5
At 31 December 2021	186	-	186
Net book value			
At 31 December 2021	1	237	238
At 31 December 2020	6	-	6

PHOENIX RENEWABLES LTD

**NOTES TO THE FINANCIAL STATEMENTS
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12. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Indra electric vehicle charging unit £000	Total £000
Cost						
At 1 January 2021	94	11	340	65	-	510
Additions	26	136	-	68	79	309
Disposals	(6)	-	-	-	(12)	(18)
At 31 December 2021	114	147	340	133	67	801
Depreciation						
At 1 January 2021	56	6	178	38	-	278
Charge for the year on owned assets	17	18	71	26	1	133
Disposals	(5)	-	-	-	-	(5)
At 31 December 2021	68	24	249	64	1	406
Net book value						
At 31 December 2021	46	123	91	69	66	395
At 31 December 2020	38	5	162	27	-	232

13. Inventories

Inventories are stated after provisions for impairment of £nil (2020 - £20,000).

14. Trade and other debtors

	2021 £000	2020 £000
Due within one year		
Trade debtors	281	224
Prepayments and accrued income	79	56
Other debtors	201	-
	561	280

PHOENIX RENEWABLES LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. Creditors: amounts falling due within one year

	2021 £000	2020 £000
Trade payables	332	121
Amounts owed to group undertakings	1	8
Taxation and social security	63	75
Other creditors	1,166	348
	<u>1,562</u>	<u>552</u>

Amounts owed to group undertakings falling due within one year are unsecured, interest free and repayable on demand.

16. Creditors: amounts falling due after more than one year

	2021 £000	2020 £000
Amounts owed to group undertakings	338	1,401

Amounts owed to group undertakings falling due after more than one year represents a loan note which had a carrying value of £338,000 (2020 - £1,401,000) at the balance sheet date. The loan note is denominated in sterling, bears interest of 6.05% and matures in 2030.

17. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
31,208,235 (2020 - 31,208,233) Ordinary shares of £0.10 each	3,120,824	3,120,823

On 15 December 2021, the company issued 2 Ordinary shares of £0.10 each to Liberty Global Europe 2 Limited for a consideration of £6,300,000.

18. Reserves

Share premium account

Includes any premiums received on issue of share capital, see note 17 for issuance at premium during the year. Any transaction costs associated with the issuing of shares are deducted from share premium.

Accumulated losses

Includes all current and prior period retained profits and losses net of dividends paid.

PHOENIX RENEWABLES LTD

**NOTES TO THE FINANCIAL STATEMENTS
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19. Controlling party

The company's immediate parent undertaking is Liberty Global Europe 2 Limited.

The smallest and largest group of which the company is a member and in to which the company's accounts were consolidated at 31 December 2021 is Liberty Global plc.

The company's ultimate parent undertaking and controlling party at 31 December 2021 was Liberty Global plc.

Copies of group accounts referred to above which include the results of the company are available on Liberty Global's website at www.libertyglobal.com or from the company secretary, Liberty Global plc, Griffin House, 161 Hammersmith Road, London, UK, W6 8BS.