

Company registration number 09002413 (England and Wales)

**MER FLEET SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

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# MER FLEET SERVICES LIMITED

## COMPANY INFORMATION

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Directors	Mr K R Anders	(Appointed 23 August 2022)
	K Thoner	(Appointed 1 February 2022)
	O R Thorsnes	(Appointed 1 February 2022)
	Alex Hinchcliffe	(Appointed 24 October 2023)
Secretary	F Kafidiya-Oke	
Company number	09002413	
Registered office	19th Floor 22 Bishopsgate London United Kingdom EC2N 4BQ	
Auditor	Deloitte LLP 1 New Street Square London EC4A 4BQ	

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# **MER FLEET SERVICES LIMITED**

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# MER FLEET SERVICES LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present the strategic report for the year ended 31 December 2022.

### Review of the business

The financial year finished as expected, with an overall loss. However this was higher due to delays in install and rapid charger deliveries.

The business saw a steady increase in gross margin to 11%, although this is lower than budgeted the increase is a great improvement from quarter one which saw operational challenges due to migration of chargers from the old platform due to the acquisition by Mer. This saw margins stabilising towards the back end of the year more inline with budget and this has continued throughout 2023, due to better cost control and monitoring of margins.

With an injection of capital from the businesses parent company, the business goes into the new financial year with a cash balance to cover quarter one expenses.

The medium term target (1 -3 years) has increased significantly due to a large multi site contract being won at the end of the financial year, this will attract revenue of circa £4.5m in the following year. This has been won due to a focus on larger multi site contracts and has been assisted by capital injections to the business. Admin expenses have increased due to increased headcount and investment to facilitate the delivery of these large contracts and continue to compete in an expanding market.

### Principal risks and uncertainties

#### Liquidity risk

Liquidity risk is the risk the business will encounter difficulty in meeting obligations associated with financial liabilities. The business monitors this risk of a shortage of funds by monitoring working capital, overdue trade receivables and performing regular cashflow projections.

#### Market Risk

Market risk is the risk of losses arising from movements in market variables like prices and volatility. The UK market is currently in a growth period, however vehicle supply continues to be constrained, as well as long lead times on rapid chargers. Although the risk is not as significant in previous years due to the business growing at a faster rate than the market, the business continues to monitor stock levels and market movement, and looks at various other ways to mitigate the risk.

The business is only minimally exposed to the cost of living crisis due and inflation due to fixed costs on most imported products.

### Key performance indicators

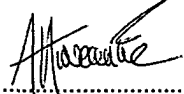
#### Number of charge point sockets

The provision of electric vehicle charging infrastructure is the primary driver of revenue within the business therefore performance has increased with this metric. Total number of charging sockets registered on the DRIIVZ platform increased from 2,155, at the beginning of the year, to 3,860 at 31 December 2022

#### Number of chargers with an operator contract

The Operate and maintain contract base improved significantly throughout the period, causing a material improvement in business performance.

On behalf of the board



Alex Hinchcliffe

Director

Date: 21/12/2023

# MER FLEET SERVICES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the year ended 31 December 2022.

#### Principal activities

The principal activity of the company continued to be that of installation and maintenance of electric vehicle chargers.

#### Results and dividends

The loss for the period, after taxation, amounted to £5,051,725.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr K R Anders	(Appointed 23 August 2022)
K Thoner	(Appointed 1 February 2022)
O R Thorsnes	(Appointed 1 February 2022)
F Phillips	(Appointed 1 February 2022 and resigned 3 January 2023)
Alex Hinchcliffe	(Appointed 24 October 2023)

#### Directors' insurance

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

#### Financial instruments

##### Interest rate risk

The company is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on floating rate deposits, bank overdrafts and loans. The company uses interest rate derivatives to manage the mix of fixed and variable rate debt so as to reduce its exposure to changes in interest rates.

#### Auditor

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable 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.

# **MER FLEET SERVICES LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **Statement of disclosure to auditor**

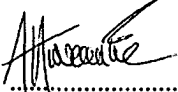
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2016.

### **Going Concern**

The parent company, Mer AS, has informed the Company that it is its present intention to provide sufficient finance for at least one year after the date that these financial statements are signed for the continued operation of the Company. Accordingly, the Directors consider it appropriate for these financial statements to be prepared on a going concern basis.

On behalf of the board

  
.....

Alex Hinchcliffe

**Director**

Date: 21/12/2023 .....

## **Independent auditor's report to the members of Mer Fleet Services Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Mer Fleet Services Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 25.

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).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other

information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:



- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the area of revenue recognition, in particular the cut off of revenue. To address this risk we sampled revenue transactions at year end and at the beginning of following year, traced the samples to the respective invoice and bank statement(s) and checked that revenue had been recognised in the correct year.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

## **Report on other legal and regulatory requirements**

### **Opinions 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**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.

D. Winstone

Daryl Winstone FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
21 December 2023

# MER FLEET SERVICES LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

		Year ended 31 December 2022 £	Period ended 31 December 2021 £
	Notes		
Turnover	3	5,011,349	2,385,629
Cost of sales		(4,550,924)	(2,221,684)
Gross profit		460,425	163,945
Administrative expenses		(5,554,228)	(2,069,472)
Other operating income		248,512	19,274
Operating loss	5	(4,845,291)	(1,886,253)
Interest receivable and similar income	9	1,805	60
Interest payable and similar expenses	10	(207,036)	(41,733)
Loss before taxation		(5,050,522)	(1,927,926)
Tax on loss	11	-	-
Loss for the financial year		(5,050,522)	(1,927,926)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

# MER FLEET SERVICES LIMITED

## BALANCE SHEET

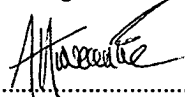
AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		399,824		319,446
<b>Current assets</b>					
Stocks	13	2,584,044		307,961	
Debtors	14	1,823,174		1,006,352	
Cash at bank and in hand		1,282,687		133,531	
		<u>5,689,905</u>		<u>1,447,844</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(10,077,232)</u>		<u>(3,205,252)</u>	
<b>Net current liabilities</b>			<u>(4,387,327)</u>		<u>(1,757,408)</u>
<b>Total assets less current liabilities</b>			<u>(3,987,503)</u>		<u>(1,437,962)</u>
<b>Creditors: amounts falling due after more than one year</b>	16		<u>(90,326)</u>		<u>(389,345)</u>
<b>Net liabilities</b>			<u><u>(4,077,829)</u></u>		<u><u>(1,827,307)</u></u>
<b>Capital and reserves</b>					
Called up share capital	21	4,301,246		1,501,246	
Profit and loss reserves		<u>(8,379,075)</u>		<u>(3,328,553)</u>	
<b>Total equity</b>			<u><u>(4,077,829)</u></u>		<u><u>(1,827,307)</u></u>

The notes on pages 10 to 21 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 21 December 2023 and are signed on its behalf by:



.....  
Alex Hinchcliffe  
Director

Company registration number 09002413 (England and Wales)

# MER FLEET SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2021		1,501,246	(1,400,627)	100,619
Period ended 31 December 2021:				
Loss and total comprehensive income		-	(1,927,926)	(1,927,926)
Balance at 31 December 2021		1,501,246	(3,328,553)	(1,827,307)
Year ended 31 December 2022:				
Loss and total comprehensive income		-	(5,050,522)	(5,050,522)
Issue of share capital	21	2,800,000	-	2,800,000
Balance at 31 December 2022		4,301,246	(8,379,075)	(4,077,829)

The notes on pages 10 to 21 form part of these financial statements.

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

##### Company information

Mer Fleet Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is 19th Floor, 22 Bishopsgate, London, United Kingdom, EC2N 4BQ.

Mer Fleet Services was incorporated on 17 April 2014 as Elmtronics Ltd. The name of the company was changed to Mer Fleet Services Ltd on 24 March 2022.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Statkraft Mer Holding AS. These consolidated financial statements are available from its registered office, P.O. Box 200 Lilleaker, NO-0216 Oslo, Norway.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The parent company, Mer AS, has informed the Company that it is its present intention to provide sufficient finance for at least twelve months after the date of these financial statements are signed for the continued operation of the Company.

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% straight line
Computers	25% straight line
Motor vehicles	20% straight line
Other fixed assets	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.



# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 1 Accounting policies

(Continued)

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of 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 company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### **1.10 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

#### **1.14 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover and other revenue

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Chargers & installation	4,124,105	1,949,166
Home charge	94,115	65,150
Contracts & maintenance software	793,129	371,313
	<u>5,011,349</u>	<u>2,385,629</u>
	2022 £	2021 £
<b>Other revenue</b>		
Interest income	1,805	60
Grants received	<u>248,408</u>	<u>19,274</u>

### 4 Other operating income

Included within other operating income is monies received from Innovate UK and Durham County Council, both to be used on development projects, as well as an Education & Skills grant to go towards funding training for apprentices.

### 5 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	81	84
Research and development costs	799,221	-
Government grants	(248,408)	(19,274)
Depreciation of owned tangible fixed assets	159,346	93,567
Profit on disposal of tangible fixed assets	<u>(3,874)</u>	<u>-</u>

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company's subsidiaries	4,817	4,588

### 7 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2022	2021
Number	Number
70	52

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,822,520	1,494,217
Social security costs	316,511	160,053
Pension costs	56,081	27,450
	3,195,112	1,681,720

### 8 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	104,066	226,134
Company pension contributions to defined contribution schemes	3,150	3,523
	107,216	229,657

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	n/a	58,500
Company pension contributions to defined contribution schemes	n/a	990

As total directors' remuneration was less than £200,000 in the current year, no disclosure is provided for that year.

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Directors' remuneration

(Continued)

3 Directors received share based payments during the purchase of Mer Fleet Services Limited, these payments were processed through the company's payroll however payment was made by the controlling party.

### 9 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	1,805	60

### 10 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	195,126	-
Interest on finance leases and hire purchase contracts	11,254	41,733
Other interest	656	-
	207,036	41,733

### 11 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(5,050,522)	(1,927,926)
Expected tax charge based on the standard rate of corporation tax in the UK of 0% (2021: 0%)	-	-
Taxation charge in the financial statements	-	-

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 12 Tangible fixed assets

	Fixtures and fittings	Computers	Motor vehicles	Other fixed assets	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	18,371	68,354	267,885	237,912	592,522
Additions	157,971	68,633	17,995	-	244,599
Disposals	-	-	(16,508)	-	(16,508)
At 31 December 2022	176,342	136,987	269,372	237,912	820,613
<b>Depreciation and impairment</b>					
At 1 January 2022	7,765	22,224	109,778	133,309	273,076
Depreciation charged in the year	29,390	28,503	55,001	46,452	159,346
Eliminated in respect of disposals	-	-	(11,633)	-	(11,633)
At 31 December 2022	37,155	50,727	153,146	179,761	420,789
<b>Carrying amount</b>					
At 31 December 2022	139,187	86,260	116,226	58,151	399,824
At 31 December 2021	10,606	46,130	158,107	104,603	319,446

### 13 Stocks

	2022	2021
	£	£
Raw materials and consumables	2,584,044	307,961

#### Stock breakdown is as follows:

Raw materials	£304,361
Finished Goods	£1,989,675
Goods in transit	£290,008

### 14 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,455,564	443,773
Corporation tax recoverable	602	-
Other debtors	-	4,349
Prepayments and accrued income	367,008	558,230
	1,823,174	1,006,352

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 15 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	-	231,041
Obligations under finance leases	18	33,782	46,804
Other borrowings	17	1	-
Trade creditors		2,537,944	973,787
Taxation and social security		273,335	160,905
Deferred income	19	1,277,275	873,177
Other creditors		5,903,121	795,425
Accruals and deferred income		51,774	124,113
		<u>10,077,232</u>	<u>3,205,252</u>

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

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	-	271,455
Obligations under finance leases	18	90,326	117,890
		<u>90,326</u>	<u>389,345</u>

### 17 Loans and overdrafts

	2022 £	2021 £
Bank loans	-	391,261
Bank overdrafts	-	111,235
Other loans	1	-
	<u>1</u>	<u>502,496</u>
Payable within one year	1	231,041
Payable after one year	-	271,455

# MER FLEET SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	34,958	51,779
In two to five years	94,696	129,378
	<u>129,654</u>	<u>181,157</u>
Less: future finance charges	(5,546)	(16,463)
	<u>124,108</u>	<u>164,694</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 19 Deferred income

	2022	2021
	£	£
Other deferred income	<u>1,277,275</u>	<u>873,177</u>

### 20 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>56,081</u>	<u>27,450</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 21 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary share capital of £1 each	<u>4,301,246</u>	<u>1,501,246</u>	<u>4,301,246</u>	<u>1,501,246</u>

A total of 2,800,000 Ordinary share's were issued during the financial year at a value of £1 per share.

### 22 Events after the reporting date

On 16 February 2023, the company issued 1,500,000 ordinary shares of £1 each at the nominal value to Mer AS.

The above are considered to be non-adjusting subsequent events.



# **MER FLEET SERVICES LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **23 Related party transactions**

#### **Remuneration of key management personnel**

The Company has taken advantage of the exemptions granted to wholly owned subsidiaries not to disclose transactions with group companies under FRS102.

No other related party transactions were made in the period.

### **24 Ultimate controlling party**

Mer Fleet Services Limited is a subsidiary of Elmtronics Group Limited, a company incorporated in UK. The ultimate parent company is Statkraft SF, a company incorporated in Norway. The Company's ultimate parent undertaking, Statkraft SF includes the Company in its consolidated financial statements. The consolidated financial statements of Statkraft SF are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the Company Secretary at P.O. Box 200 Lilleaker, NO-0216 Oslo, Norway.

The immediate parent undertaking of Mer Fleet Services Limited is Elmtronics Group Ltd which is owned by Mer AS, a company incorporated in Norway, and is the smallest group consolidating these financial statements.

The largest group to consolidate these financial statements is Statkraft SF, a company incorporated in Norway. Statkraft SF owns Statkraft AS and is the ultimate controlling party and parent of Mer Fleet Services Limited.