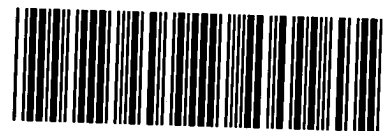


**Company number: 09653544**

**Elios Energy 2 Limited**

**Annual report and financial statements  
For the year ended 30 June 2023**

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## **Elios Energy 2 Limited**

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## **Elios Energy 2 Limited**

### **Company information**

<b>Directors</b>	A D K Brierley T J Rosser
<b>Company secretary</b>	Octopus Company Secretarial Services Limited
<b>Company number</b>	09653544
<b>Registered office</b>	6th Floor 33 Holborn London England EC1N 2HT
<b>Independent auditors</b>	Ernst & Young LLP Chartered Accountants and Statutory Auditors Bedford House 16 Bedford House Belfast BT2 7DT

## **Elios Energy 2 Limited**

### **Strategic report for the year ended 30 June 2023**

The directors present their Strategic report on Elios Energy 2 Limited (the "Company") for the year ended 30 June 2023.

#### **Principal activities and business review**

The Company's immediate parent undertaking is Elios Energy Holdings 2 Limited and its ultimate parent company is Fern Trading Limited. The principal activity of the Company is that of a holding company.

The results of the Company for the year ended 30 June 2023 and its financial position as at that date were in line with directors' expectation.

#### **Principal risks and uncertainties**

The Company's financial risk management seeks to minimise the exposure to funding risk, market risk, energy market risk, performance risk, liquidity and cash flow risk.

##### **Funding risk**

The Company relies on the continued support of its ultimate controlling party, Fern Trading Limited. Funding is provided on a long term basis, and includes the flexibility to draw down funding to meet ongoing needs of the Company.

##### **Market risk**

A shift in policy by Ofgem or United Kingdom government could have an adverse impact on the Company where the change is more favourable to larger incumbent operators than alternative network providers. The Company alongside Fern Trading Limited engages proactively with the United Kingdom government and Ofcom to ensure the strategy and plans of the Company are well understood, and its interests are appropriately represented and protected.

##### **Energy market risk**

There is a risk that subsidiary's energy sites could fail to achieve forecast levels of income due to changes in energy prices or government subsidies.

##### **Performance risk**

Unpredictable weather conditions and operational availability could impact revenue generated from subsidiary energy sites.

Performance risk is mitigated through the group's operational strategy. The servicing of assets is optimised to maximise availability and limit downtime. This is achieved through performance-backed contractual obligations of key service providers, implementing a spares strategy and enhanced data monitoring to enable faster response time and limit downtime.

##### **Liquidity and cash flow risk**

Liquidity and cash flow risk are managed by ensuring that sufficient cash is available to fund continuing and future operations.

The Company may enter hedging transactions in relation to interest rates transactions for the purposes of efficient portfolio management. Where the Company enters borrowing arrangements with floating rate interest, a swap arrangement is entered into to fix a portion of the interest in order to mitigate against an increase in interest rates.

The portion of interest to be fixed is assessed on a case-by-case basis. Management can elect whether to hedge account for these arrangements on an individual transaction basis and have elected to apply hedge accounting for subsidiaries holding interest rate swaps within the group. The Company will not enter derivative transactions for speculative purposes.

## **Elios Energy 2 Limited**

### **Strategic report for the year ended 30 June 2023 (continued)**

#### **Financial key performance indicators**

The Company focuses on capital preservation. In the case of its operational subsidiaries, performance is measured by revenue and EBITDA and compared against the budget set at the beginning of the year. On a quarterly basis, performance is measured against detailed financial forecast model and a returns target set at inception. Results thus far have been in line with expectations.

This report was approved by the Board on 20 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T J Rosser', is written over a horizontal line.

**T J Rosser**  
**Director**

## **Elios Energy 2 Limited**

### **Directors' report for the year ended 30 June 2023**

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

#### **Results and dividends**

The profit for the year amounted to £4,800,000 (2022: loss of £1,222,000) and at the year end the Company had net assets of £81,878,000 (2022: £91,210,000).

During the year, a dividend was paid of £14,132,000 (2022: £58,506,000).

#### **Future developments**

The directors do not anticipate any significant changes to the activities of the Company in the medium to long term.

#### **Going concern**

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the Company and revised projections, the above events are not expected to have a detrimental impact on the Company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the Company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible negative impact of these events.

#### **Directors of the Company**

The directors who served during the financial year ended 30 June 2023 and up to the date of signing the financial statements, unless otherwise indicated, are given below:

A D K Brierley  
T J Rosser

#### **Qualifying third-party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

## **Elios Energy 2 Limited**

### **Directors' report for the year ended 30 June 2023 (continued)**

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom 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), including Financial Reporting Standard FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the Company for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate to presume that the Company will not 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 Company 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic report, Directors' report, that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

#### **Statement of disclosure of information to auditors**

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

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

#### **Independent auditors**

The auditor Ernst & Young LLP (Statutory auditor) is deemed to be reappointed under section 487(2) of the Companies Act 2006.

## **Elios Energy 2 Limited**

### **Directors' report for the year ended 30 June 2023 (continued)**

#### **Events after Balance sheet date**

There have been no material adjusting or disclosable events since the financial year end.

This report was approved by the Board on 20 December 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'T J Rosser', written over a horizontal line.

**T J Rosser  
Director**



## **Elios Energy 2 Limited**

### **Independent auditor's report to the members of Elios Energy 2 Limited**

#### **Opinion**

We have audited the financial statements of Elios Energy 2 Limited ('the Company') for the year ended 30 June 2023 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom) (ISAs (United Kingdom)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the 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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

#### **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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

**Independent auditor's report to the members of Elios Energy 2 Limited (continued)**

**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 Directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement 5, 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 (United Kingdom) 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.

## **Elios Energy 2 Limited**

### **Independent auditor's report to the members of Elios Energy 2 Limited (continued)**

#### **Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and Companies Act 2006) and the relevant direct and indirect tax compliance regulations in the United Kingdom in which the Company operates.
- We understood how the Company are complying with those frameworks by making enquires of management to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our inquiries through reading board minutes and correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override to be fraud risks. Our procedures also involved testing journals identified by specific risk criteria.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria. We read the minutes of directors' meetings to identify any non-compliance with laws and regulations. We also made enquiries with the directors and of management regarding compliance with laws and regulations.

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

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Kidd (*Senior statutory auditor*)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Belfast  
Date: 20 December 2023

## Elios Energy 2 Limited

### Statement of comprehensive income for the year ended 30 June 2023

	Note	2023 £000	2022 £000
Administrative expenses		(334)	(2,150)
<b>Operating loss</b>		<b>(334)</b>	<b>(2,150)</b>
Impairment reversal/(charge)	9	2,701	(1,054)
Interest receivable and similar income	6	2,974	1,979
Interest payable and similar expenses	7	-	(11)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>5,341</b>	<b>(1,236)</b>
Taxation	8	(541)	14
<b>Profit/(loss) for the financial year</b>		<b>4,800</b>	<b>(1,222)</b>

All activities of the Company are from continuing operations.

The Company has no items of other comprehensive income for the current or preceding financial year. Therefore, no separate statement of other comprehensive income has been presented.

The notes on pages 13 to 22 form an integral part of these financial statements.

**Balance sheet**  
**as at 30 June 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Investments	9	5,594	2,893
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	76,766	89,271
Cash at bank and in hand		45	134
		<u>76,811</u>	<u>89,405</u>
Creditors: amounts falling due within one year	11	(527)	(1,088)
<b>Net current assets</b>		<u>76,284</u>	<u>88,317</u>
<b>Total assets less current liabilities</b>		<u>81,878</u>	<u>91,210</u>
<b>Net assets</b>		<u>81,878</u>	<u>91,210</u>
<b>Capital and reserves</b>			
Called-up share capital	12	-	-
Share premium account	13	-	-
Profit and loss account	13	81,878	91,210
<b>Total shareholder's funds</b>		<u>81,878</u>	<u>91,210</u>

The director acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 20 December 2023.



**T J Rosser**  
**Director**

The notes on pages 13 to 22 form an integral part of these financial statements.

## Elios Energy 2 Limited

### Statement of changes in equity for the year ended 30 June 2023

	Called-up share capital	Share premium account	Profit and loss account	Total shareholder's funds
	£000	£000	£000	£000
<b>At 1 July 2021</b>	<b>1,460</b>	<b>144,547</b>	<b>2,761</b>	<b>148,768</b>
Loss for the financial year	-	-	(1,222)	(1,222)
Distribution to shareholders	-	-	(58,506)	(58,506)
Shares issued during the year	22	2,148	-	2,170
Cancellation of called-up share capital	(1,482)	(146,695)	148,177	-
<b>At 30 June 2022 and 1 July 2022</b>	<b>-</b>	<b>-</b>	<b>91,210</b>	<b>91,210</b>
Profit for the financial year	-	-	4,800	4,800
Distribution to shareholders	-	-	(14,132)	(14,132)
<b>At 30 June 2023</b>	<b>-</b>	<b>-</b>	<b>81,878</b>	<b>81,878</b>

The notes on pages 13 to 22 form an integral part of these financial statements.

## **Elios Energy 2 Limited**

### **Notes to the financial statements for the year ended 30 June 2023**

#### **1. General information**

Elios Energy 2 Limited is a private company, limited by shares, incorporated and domiciled in England, the United Kingdom, company number: 09653544. The registered office is at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

The principal activity of the Company is that of a holding company.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006..

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Exemptions for qualifying entities under FRS 102**

The 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.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- from preparing a statement of cash flows, required under section 7 of FRS 102;
- from disclosing the Company's key management personnel compensation as required by FRS 102 paragraph 33.7; and
- from disclosing related party transactions that are wholly owned within the same group as required by FRS 102 paragraph 33.8.

##### **2.3 Consolidation**

These financial statements contain information about the Company as an individual company and do not contain consolidated financial information as a parent undertaking of a group. The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of Fern Trading Limited, a company incorporated in England, the United Kingdom.

**Notes to the financial statements  
for the year ended 30 June 2023 (continued)**

**2. Accounting policies (continued)**

**2.4 Going concern**

The financial statements have been prepared on the going concern basis. The directors have assessed the Company's ability to meet its liabilities as they fall due, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, which has driven a sharp increase in volatility across markets.

The directors have determined that based on recent trading of the Company and revised projections, the above events are not expected to have a detrimental impact on the Company's business. Further, the ultimate controlling party, Fern Trading Limited, will continue to support the operations of the Company for a period of at least 12 months from the date on which the financial statements are approved. The directors will continue to monitor the situation and take any necessary actions to minimise the possible negative impact of these events.

**2.5 Foreign currency**

*(i) Functional and presentation currency*

The Company's functional and presentation currency is the pound sterling and all values are rounded to the nearest thousand pounds (£000).

*(ii) Transactions and balances*

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income within administrative expenses.

**2.6 Interest income**

Interest income is recognised in the Statement of comprehensive income using the effective interest rate method.

**2.7 Interest expense**

Interest expense is charged to the Statement of comprehensive income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



**Notes to the financial statements  
for the year ended 30 June 2023 (continued)**

**2. Accounting policies (continued)**

**2.8 Investments**

Investments in subsidiary undertakings and associates are accounted for at cost less any provision for impairment. The value of investments is reviewed annually by the directors or more frequently if there is a triggering event and provision made where the investment's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the investment in prior years. A reversal of impairment loss is recognised immediately in the Statement of comprehensive income.

**2.9 Cash at bank and in hand**

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**2.10 Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

*(i) Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the period or prior periods. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

*(ii) Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

**Notes to the financial statements  
for the year ended 30 June 2023 (continued)**

**2. Accounting policies (continued)**

**2.11 Financial instruments**

*(i) Financial assets*

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

*(ii) 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the Statement of comprehensive income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Financial assets and liabilities are offset, and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Notes to the financial statements  
for the year ended 30 June 2023 (continued)**

**2. Accounting policies (continued)**

**2.12 Related party transactions**

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

**2.13 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Company's accounting policies

(b) Critical accounting estimates and assumption

(i) Investment in subsidiaries

The value of investments in subsidiary undertakings held by the Company is reviewed annually for impairment. The recoverability of these balances is considered with reference to the present value of the estimated future cash flows. These calculations use cash flow projections which extend forward forecasted business performance together with assumptions surrounding the expected life of the asset, externally prepared forecasts and valuations, and any adjustments required to the discount rate to take account of business risk. The estimated present value of these future cash flows is sensitive to the discount rate and growth rate used in the calculation, all of which require management's judgement. Testing of the carrying value has been performed during the year, which has involved several scenarios being modelled. Following this assessment management have concluded that the carrying value of investments in subsidiary entities is supported and following an impairment charge for the year, by the underlying valuations (see note 9).

(iii) Amounts owed by group undertakings

The value of amounts owed by group undertakings is reviewed annually for recoverability. Where an indication that part of the carrying value is irrecoverable, then an adjustment is required of the carrying value to the recoverable amount with an impairment charge recognised in the Statement of comprehensive income.

**4. Employees and directors' remuneration**

The Company had no employees during the year (2022: none). The directors did not receive or waive any remuneration during the year (2022: £nil).

**5. Auditor's remuneration**

Fees payable to Company's auditor and its associates for the audit of the Company's financial statements were £13,759 (2022: £3,113).

## Elios Energy 2 Limited

### Notes to the financial statements for the year ended 30 June 2023 (continued)

#### 6. Interest receivable and similar income

	2023 £000	2022 £000
Interest receivable from group companies	2,974	1,979

#### 7. Interest payable and similar expenses

	2023 £000	2022 £000
Bank charges payable	-	5
Finance costs	-	6
	-	11

#### 8. Taxation

	2023 £000	2022 £000
<b>Current tax</b>		
United Kingdom corporation tax on profit/(loss) for the year	541	(14)
<b>Total current tax</b>	541	(14)

#### Factors affecting tax credit for the year

The tax assessed for the year is lower (2022: higher) than the standard rate of corporation tax in the United Kingdom of 20.50% (2022: 19%). The differences are explained below:

	2023 £000	2022 £000
Profit/(loss) before taxation	5,341	(1,236)
Tax on profit/(loss) at standard corporation tax rate of 20.50% (2022: 19%)	1,094	(235)
<b>Effects of:</b>		
Expenses not deductible	-	221
Income not taxable	(553)	-
<b>Total tax charge/(credit) for the year</b>	541	(14)

#### Factors that may affect future tax charges

United Kingdom Budget 2021 announcements on 3 March 2021 included an increase to the United Kingdom's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021 and given Royal Assent on 10 June 2021.

**Subsidiary  
undertakings  
0003**

Cost	At 1 July 2022 and 30 June 2023	At 1 July 2022	Impairment reversal	At 30 June 2023	Net book value	At 30 June 2023	At 30 June 2022
5,594	2,701	(2,701)	-	5,594	2,893		

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of	Class of	Holding	Principal activity
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Name	Country of incorporation	Class of shares	Holding	Principal activity
Elios Energy 2 France SAS	France	Ordinary	100%	Holding company
Elios Energy 3 France SAS	France*	Ordinary	100%	Holding company

AgriSol-2 S.a.r.l.	France	Ordinary	100%	Energy generation
Batisolaire 5 S.a.r.l.	France	Ordinary	100%	Energy generation
Batisolaire 7 S.a.r.l.	France	Ordinary	100%	Energy generation
Centrale Eolienne de Production d'Energie de Grandbois S.a.r.l.	France*	Ordinary	100%	Energy generation
C.E.P.E. de la Salasse S.a.r.l.	France*	Ordinary	100%	Energy generation
C.E.P.E. de Lacombe (Centrale Eolienne de Production d'Energie de Lacombe)	France*	Ordinary	100%	Energy generation
Centrale Eolienne de Production d'Energie de Marsanne S.a.r.l.	France*	Ordinary	100%	Energy generation
C.E.P.E. du Pays de St Seine S.a.r.l.	France*	Ordinary	100%	Energy generation
CERS S.A.S	France*	Ordinary	100%	Holding company

Notes to the financial statements  
for the year ended 30 June 2023 (continued)

9. Investments (continued)

Name	Country of incorporation	Class of shares	Holding	Principal activity
CEPE Haut du Saule Centrale	France	Ordinary	100%	Energy generation
Eolienne de Production d'Energie de Haut du Saule SARL	France	Ordinary	100%	Energy generation
CEPE Berceronne SARL	France	Ordinary	100%	Energy generation
CEPE de la Roche Quatre Rivières SARL	France	Ordinary	100%	Energy generation
Elecsof Haut Var S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 7 S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 11 S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof Camargue S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 15 S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 19 S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 22 S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 24 S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 25 S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 28 S.a.r.l.	France	Ordinary	100%	Energy generation
Elecsof France 41 S.a.r.l.	France	Ordinary	100%	Energy generation
Sammat S.a.r.l.	France	Ordinary	100%	Energy generation
Solarfi LP08 S.a.r.l.	France	Ordinary	100%	Energy generation
Solarfi SP01 S.a.r.l.	France	Ordinary	100%	Energy generation
Solarfi SP02 S.a.r.l.	France	Ordinary	100%	Energy generation
Solarfi SP04 S.a.r.l.	France	Ordinary	100%	Energy generation
Solarfi SP05 S.a.r.l.	France	Ordinary	100%	Energy generation
Solarfi SP08 S.a.r.l.	France	Ordinary	100%	Energy generation
Solarfi SP10 S.a.r.l.	France	Ordinary	100%	Energy generation
Voltafrance 1 S.a.r.l.	France	Ordinary	100%	Energy generation
Voltafrance 13 S.a.r.l.	France	Ordinary	100%	Energy generation
Voltafrance 5 S.a.r.l.	France	Ordinary	100%	Energy generation
Voltafrance S.a.r.l.	France	Ordinary	100%	Energy generation

The registered office for entities in the respective country of registration is as follows:

Country	Registered Office
France	22 Rue Alphonse De Neuville 75017 Paris, France
France*	Zone Industrielle De Courtine 115 Rue Du Mouret 84000 Avignon, France

## Elios Energy 2 Limited

### Notes to the financial statements for the year ended 30 June 2023 (continued)

#### 10. Debtors: amounts falling due within one year

	2023 £000	2022 £000
Amounts owed by group undertakings	74,537	88,509
Prepayments and accrued income	2,229	748
Corporation tax receivable	-	14
	<u>76,766</u>	<u>89,271</u>

Included within amounts owed by group undertakings are unsecured loans with a year end balance totalling £74,537,000 (2022: £88,509,000) of which £73,994,000 (2022: £88,509,000) bear interest at 2% (2022: 1.35% to 2%) and £543,000 (2022: £nil) is interest free. The loans are receivable on demand. A provision of £nil (2022: £nil) has been made against this balance.

#### 11. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Amounts owed to group undertakings	-	1,086
Accruals and deferred income	-	2
Corporation tax payable	527	-
	<u>527</u>	<u>1,088</u>

Amounts owed to group undertaking were unsecured, interest free and repayable on demand.

#### 12. Called-up share capital

	2023 £000	2022 £000
<b>Allotted, called-up and fully paid</b>		
137 (2022: 137) ordinary shares of £0.01 each	-	-
	<u>-</u>	<u>-</u>

## Elios Energy 2 Limited

### Notes to the financial statements for the year ended 30 June 2023 (continued)

#### 13. Other reserves

	2023 £000	2022 £000
<b>Balance at 1 July and 30 June</b>		
Profit and loss account	<b>81,878</b>	91,210
Share premium account	-	-

##### *Profit and loss account*

The profit and loss account represent cumulative profits and losses, net of dividends paid.

##### *Share premium account*

Share premium originated as a result of allotment of shares and related share premium.

#### 14. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that as at the year ended 30 June 2023 it was a wholly owned subsidiary.

#### 15. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is Elios Energy Holdings 2 Limited, a company incorporated in England, the United Kingdom.

Cedar Energy and Infrastructure Limited is the smallest group to consolidate these financial statements. Its registered office address is 33 Holborn, London, England, EC1N 2HT.

The ultimate parent undertaking as at the year ended 30 June 2023 was Fern Trading Limited, a company incorporated in England, the United Kingdom. Fern Trading Limited is the largest group of undertakings to consolidate these financial statements. Copies of Fern Trading Limited's consolidated financial statements can be obtained from the company secretary at 6th Floor, 33 Holborn, London, England, EC1N 2HT.

#### 16. Events after Balance sheet date

There have been no material adjusting or disclosable events since the financial year end.