

Envision Energy UK COE LTD

Registered number: 09780437

Annual Report

For the year ended 31 December 2022

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ENVISION ENERGY UK COE LTD

COMPANY INFORMATION

Directors	D Zheng D P Naser J S Bhogal
Registered number	09780437
Registered office	30 Old Bailey London United Kingdom EC4M 7AU
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 2nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS

ENVISION ENERGY UK COE LTD

CONTENTS

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 7
Income statement and statement of comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Notes to the financial statements	11 - 21

ENVISION ENERGY UK COE LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and the audited financial statements of Envision Energy UK COE LTD ('the Company') for the year ended 31 December 2022.

Principal activity

The principal activity of the Company is the provision of operating and maintenance services, the development, construction and sale of wind farm and utility scale battery energy solutions technology and the provision of support services to associated companies.

During the year the registered office address of the Company changed from Tower Bridge House, St. Katharine's Way, London, E1W 1DD to 30 Old Bailey, London, EC4M 7AU.

Results and dividends

The loss for the year, after taxation, amounted to £14,263,270 (2021: £301,230).

During the year, dividends of £nil were paid (2021: £nil).

Directors

The directors who served during the year and up to the date of this report were:

L Low (resigned 22 April 2022)
D P Naser
J S Bhogal
L Flanagan (resigned 7 June 2023)
D Zheng (appointed 7 June 2023)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ENVISION ENERGY UK COE LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Going Concern

These financial statements have been prepared on the going concern basis. The directors confirm that they have complied with the requirements of Companies Act 2006. Based on the assessment they have made of the Company's financial situation, they have concluded that they have a reasonable expectation that the Company will continue in operational existence for at least 12 months from the date of signing the financial statements and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have prepared base case financial forecasts for the period ending May 2025. The uncertainty as to the future impact of the evolving conflict in the middle east has been considered as part of the Company's adoption of the going concern basis. An intermediate parent company, Envision Energy International Limited (Hong Kong), has committed in writing to provide support to the Company so that it will be able to pay its debts as they fall due for the next 12 months from signing these financial statements. Therefore, in the Directors' view there is no material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Economic impact of global events

UK businesses are facing many uncertainties and challenges caused by political, economic, social, technological, legal and environmental factors, and geopolitical events such as the evolving conflict in the middle east and the Russian invasion of Ukraine. These uncertainties have contributed to an environment where there exists a range of issues and risks, including inflation, rising interest rates, labour shortages, disrupted supply chains and new ways of working.

The directors have carried out an assessment of the potential impact of these uncertainties on the business, including the impact of mitigation measures, and have concluded that the greatest impact on the business is expected to be from the economic ripple effect on the global economy. The directors have taken account of these potential impacts in their going concern assessment.

The Company continues to work with its partners to minimise any impacts of these events and maximise the realisation of any opportunities they may provide to the business.

Provision of information to auditor

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

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

Post balance sheet events

The following post balance sheet events took place since the year end:

- 1) The euro loan facility between Envision Energy UK COE Limited and Envision Energy International Limited was increased to €30m from €10m in December 2023;
- 2) The same facility was increased again in January 2024 to €60m to provide working capital for further revenue generating battery energy storage system ("BESS") projects won in the UK and provide working capital for the construction of the Energies Des Hauts De La Rigotte wind farm project; and
- 3) In August 2023 a subsidiary in Australia was incorporated (Envision Energy Australia Pty Ltd) to facilitate the expansion of utility scale BESS projects in the Australian market.

ENVISION ENERGY UK COE LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Auditor


During the year, Mazars LLP were appointed as auditor.

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small company exemption

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

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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J S Bhogal
Director

Date: 27 March 2024

ENVISION ENERGY UK COE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION ENERGY UK COE LTD

Opinion

We have audited the financial statements of Envision Energy UK COE LTD (the 'Company') for the year ended 31 December 2022 which comprise Income Statement and Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, 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 UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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 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.

ENVISION ENERGY UK COE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION ENERGY UK COE LTD

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.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

ENVISION ENERGY UK COE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION ENERGY UK COE LTD

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 intend either 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation and anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, and the Companies Act 2006.

ENVISION ENERGY UK COE LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVISION ENERGY UK COE LTD

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to valuation of investments, revenue recognition (which we pinpointed to the occurrence assertion), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:


- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.


Gerhard Bonthuys (Mar 28, 2024 05:35 GMT)

Gerhard Bonthuys (Senior statutory auditor)
for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
Surrey
SM1 4FS

Date: Mar 28, 2024

ENVISION ENERGY UK COE LTD

**INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		2,446,698	2,839,354
Gross profit		<u>2,446,698</u>	<u>2,839,354</u>
Administrative expenses		(5,850,066)	(5,221,159)
Impairment of investments	6	(8,648,991)	-
Other operating (charges)/income	3	(2,976,976)	2,821,470
Operating (loss)/profit		<u>(15,029,335)</u>	<u>439,665</u>
Profit on disposal of subsidiary	6	1,735,447	-
Interest receivable and similar income		296,953	264,008
Interest payable and similar expenses		(1,266,335)	(1,004,903)
Loss before tax		<u>(14,263,270)</u>	<u>(301,230)</u>
Tax on loss		-	-
Loss for the financial year		<u><u>(14,263,270)</u></u>	<u><u>(301,230)</u></u>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

There was no other comprehensive income for 2022 (2021: £nil).

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

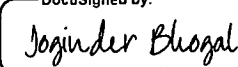
ENVISION ENERGY UK COE LTD
REGISTERED NUMBER: 09780437

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	5	10,781	-
Investments in subsidiaries	6	18,712,489	29,413,326
		<u>18,723,270</u>	<u>29,413,326</u>
Current assets			
Debtors: amounts falling due after more than one year	7	46,000	91,800
Debtors: amounts falling due within one year	7	15,384,221	14,059,955
Cash and cash equivalents		1,103,404	564,149
		<u>16,533,625</u>	<u>14,715,904</u>
Creditors: amounts falling due within one year	8	(55,975,718)	(50,584,783)
Net current liabilities		<u>(39,442,093)</u>	<u>(35,868,879)</u>
Total assets less current liabilities		<u>(20,718,823)</u>	<u>(6,455,553)</u>
Net liabilities		<u>(20,718,823)</u>	<u>(6,455,553)</u>
Capital and reserves			
Called up share capital	9	2	2
Share premium account		3,885,154	3,885,154
Profit and loss account		(24,603,979)	(10,340,709)
Total equity		<u>(20,718,823)</u>	<u>(6,455,553)</u>

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

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

DocuSigned by:

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J S Bhogal
 Director 27 March 2024

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

ENVISION ENERGY UK COE LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2021	2	3,885,154	(10,039,479)	(6,154,323)
Comprehensive loss for the year				
Loss for the year	-	-	(301,230)	(301,230)
Total comprehensive loss for the year	-	-	(301,230)	(301,230)
At 1 January 2022	2	3,885,154	(10,340,709)	(6,455,553)
Comprehensive loss for the year				
Loss for the year	-	-	(14,263,270)	(14,263,270)
Total comprehensive loss for the year	-	-	(14,263,270)	(14,263,270)
At 31 December 2022	2	3,885,154	(24,603,979)	(20,718,823)

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

ENVISION ENERGY UK COE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Envision Energy UK COE LTD is a private company limited by shares, incorporated in England and Wales. The address of its registered office is 30 Old Bailey, London, United Kingdom, EC4M 7AU.

The principal activity of the Company is the provision of operating and maintenance services, the development, construction and sale of wind farm and utility scale battery energy solutions technology and the provision of support services to associated companies.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the Company operates, and are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on the going concern basis. The directors confirm that they have complied with the requirements of Companies Act 2006. Based on the assessment they have made of the Company's financial situation, they have concluded that they have a reasonable expectation that the Company will continue in operational existence for at least 12 months from the date of signing the financial statements and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have prepared base case financial forecasts for the period ending May 2025. The uncertainty as to the future impact of the evolving conflict in the middle east has been considered as part of the Company's adoption of the going concern basis. An intermediate parent company, Envision Energy International Limited (Hong Kong), has committed in writing to provide support to the Company so that it will be able to pay its debts as they fall due for the next 12 months from signing these financial statements. Therefore, in the Directors' view there is no material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)
2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Tangible fixed assets

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Short-term leasehold property	-	33%
Office equipment	-	33%

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

Depreciation is charged to 'administrative expenses' in the Statement of Comprehensive Income.

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

2.6 Investments

Investments in subsidiaries are recognised at acquisition cost less any impairment losses.

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.7 Cash and cash equivalents

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

2.8 Financial instruments

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

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 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and 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.

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

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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.

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentation currency is GBP.

Transactions and balances

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

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

All foreign exchange gains and losses, include foreign exchange gains and loss on borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'other operating (charges)/income'.

2.10 Interest payable and similar expenses

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

2.11 Operating leases

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)
2.13 Interest receivable and similar income

Interest receivable and similar income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.14 Taxation

Tax is recognised in the Statement of Comprehensive Income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

3. Other operating (charges)/income

	2022 £	2021 £
Exchange differences relating to non-current intercompany creditors	(3,359,905)	2,241,932
Other exchange differences	382,929	579,538
	<u>(2,976,976)</u>	<u>2,821,470</u>

4. Employees

The average monthly number of employees, including directors, during the year was 9 (2021: 11).

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

5. Tangible fixed assets

	Short-term leasehold property £	Office equipment £	Total £
Cost			
At 1 January 2022	21,000	28,724	49,724
Additions	-	10,781	10,781
At 31 December 2022	21,000	39,505	60,505
Depreciation			
At 1 January 2022	21,000	28,724	49,724
At 31 December 2022	21,000	28,724	49,724
Net book value			
At 31 December 2022	-	10,781	10,781
At 31 December 2021	-	-	-

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Investments in subsidiaries

	Investments in subsidiary companies £
Fair value	
At 1 January 2022	29,413,326
Additions	405,608
Disposals	(2,457,454)
At 31 December 2022	<u>27,361,480</u>
Impairment	
Charge for the year	(8,648,991)
At 31 December 2022	<u>(8,648,991)</u>
Net book value	
At 31 December 2022	<u>18,712,489</u>
At 31 December 2021	<u>29,413,326</u>

During the year the Company incorporated a new entity, Envision Energy International UK Limited.

During the year the Company increased its shareholding in Enwind AB from 95.42% to 100% for a consideration of £405,452 which was then subsequently impaired by the same amount.

During the year the Company disposed of the entire share capital of Energies Du Sud Vannier Holdings.

ENVISION ENERGY UK COE LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Investments in subsidiaries (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Parc Eolien Des Combes Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Coeur Aire Urbaine Holdings 4	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Energie Nord Jura Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Parc Eolien De Moulins Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Energies Des Collines D'ariege Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Energies Du Dome Haut Saonais 2 Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Energies Du Dome Haut Saonais Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Doubs Ouest Energies 1 Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Doubs Ouest Energies 2 Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Energies Du Nord Haute Saone Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Energies Des Hauts De La Rigotte Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Eoliennes De Feyt-Laroche Holdings	37-39 Avenue de Friedland 75008 Paris	Activities of holding companies	Ordinary	85%
Ve'lec Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Velocita Energies	37-39 Avenue de Friedland 75008 Paris	Wind farm developer	Ordinary	100%
Envision Energy International France	37-39 Avenue de Friedland 75008 Paris	Electricity production	Ordinary	100%
Enwind AB	c/o Azets Insight AB, 171 27 Solna	Wind farm development	Ordinary	100%
Parc Eolien De L'etoile Holdings	1 rue des Arquebusiers, 67000 Strasbourg	Activities of holding companies	Ordinary	100%
Envision Energy International UK Limited	30 Old Bailey, London, United Kingdom, EC4M 7AU	Utility scale BESS service and technology provider	Ordinary	100%

- During the year Coeur Aire Urbaine 1 et 3 Holdings changed its name to Parc Eolien De L'etoile Holdings.
- After the balance sheet date, Collines D'arriege Holdings changed its name to Energies Des Collines D'ariege Holdings.
- After the balance sheet date, Envision Energy Services France changed its name to Envision Energy International France.

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Debtors

	2022	2021
	£	£
Due after more than one year		
Deposits	46,000	91,800
	<u>46,000</u>	<u>91,800</u>

Deposits are linked to the office of the Company and a deposit with a travel agency.

	2022	2021
	£	£
Due within one year		
Amounts owed by related parties	5,477,369	8,205,443
Prepayments and accrued income	9,878,143	5,682,329
Other debtors	28,709	172,183
	<u>15,384,221</u>	<u>14,059,955</u>

Trade debtors are stated after provisions for impairment of £nil (2021: £nil).

Amounts owed by related parties represent fees for services provided from other group companies and the provision of working capital funding.

Prepayments and accrued income include £9,853,567 (2021: £5,541,034) of costs that are recharged to affiliated group entities.

Amounts owed by related parties are unsecured and interest bearing at 1.5% plus 2 month LIBOR (2021: 1.5% plus 12 month LIBOR). With the abolishment of LIBOR after 31 December 2021, the Company is putting in place amendments to its loan agreements to replace LIBOR with comparable alternatives.

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	70,350	255,398
Amounts owed to related parties	52,635,803	49,939,532
Accruals and deferred income	3,269,565	389,853
	<u>55,975,718</u>	<u>50,584,783</u>

Amounts owed to related parties are made up of four loans:

A historical drawdown loan which is unsecured and interest bearing at 4.25% and additional drawdowns during the year at 2.9% (2021: 4.25%).

A historical loan which is unsecured and interest bearing at 1.2% plus 12 month LIBOR (2021: 1.2% plus 12 month LIBOR).

A loan which is unsecured and interest bearing at 7% (2021: 7%).

An unsecured loan which arose as part of the merger with Envision Energy Luxembourg Sarl which is interest bearing at 1.81% (2021: 1.81%).

9. Called up share capital

	2022	2021
	£	£
Authorised, allotted, called up and fully paid		
2 (2021: 2) Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

10. Pension commitments

The Company operates a defined contribution pension plan for its employees. Contributions made into this plan are paid by the Company at the rates specified in the rules of the schemes. At the reporting date £nil (2021: £15,860) was payable to the plan.

ENVISION ENERGY UK COE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	13,887	31,677

12. Related party transactions

The Company is a wholly owned subsidiary of Envision Energy International Limited and as such has taken advantage of the exemption permitted by FRS102 Section 33 'Related party disclosures' not to provide disclosures of transactions entered into with other wholly owned members of the group. The Company and its subsidiary undertakings are included within the consolidated financial statements of Envision Energy International Limited.

13. Post balance sheet events

The following post balance sheet events took place since the year end:

- 1) The euro loan facility between Envision Energy UK COE Limited and Envision Energy International Limited was increased to €30m from €10m in December 2023;
- 2) The same facility was increased again in January 2024 to €60m to provide working capital for further revenue generating battery energy storage system ("BESS") projects won in the UK and provide working capital for the construction of the Energies Des Hauts De La Rigotte wind farm project; and
- 3) In August 2023 a subsidiary in Australia was incorporated (Envision Energy Australia Pty Ltd) to facilitate the expansion of utility scale BESS projects in the Australian market.

14. Controlling party

The Company's immediate parent is Envision Energy International Limited, a company registered in Hong Kong. The largest and smallest group into which the Company is consolidated is Envision Energy International Limited, having its registered office at 8243, 82/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong.