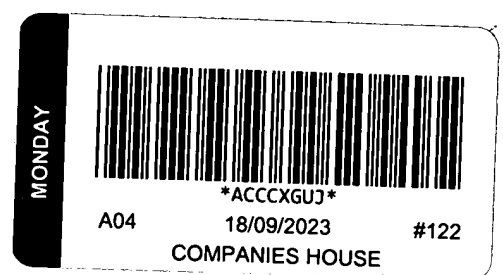


Registered number: 09919624

METER FIT 20 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



METER FIT 20 LIMITED

COMPANY INFORMATION

Directors	S Latus S A Blackburn P A McLelland M J Bateman B J Rennet
Company secretary	C Blanchard
Registered number	09919624
Registered office	5th Floor 1 Marsden Street Manchester M2 1HW
Independent auditor	KPMG LLP Chartered Accountants & Senior Statutory Auditor 1 St Peter's Square Manchester M2 3AE
Bankers	HSBC plc 8 Canada Square London E14 5HQ

METER FIT 20 LIMITED

CONTENTS

	Page
Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 - 9
Statement of Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 - 26

METER FIT 20 LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Business review

The Company procures and installs domestic gas and electricity smart meters in accordance with agreements with its customers.

The Company is in the installation phase of the contract. The Company experienced a temporary slowing of meter installations in the first quarter of 2021 due to national lockdowns in response to COVID-19 however activity soon recommenced to within expected levels. The Directors do not believe that there is a risk to the growth of the Company but is instead a change in the timing of the initial phase of the contract. The timing of the initial phase of the contract is in line with the Smart Meter Installation Programme set out below.

The primary KPI's that the Company monitors are Turnover and Earnings before interest, tax, depreciation, amortisation and NBV of meters disposed ("EBITDA"). Turnover for the year ended 31 December 2022 was £68,865,000 (2021: £51,940,000). EBITDA for the year ended 31 December 2022 was £67,345,000 (2021: £49,340,000). The business continually assesses the KPI's across each of its contracts and can confirm that these KPI's continue to perform in line with business expectations.

Principal risks and uncertainties

The Company uses various financial instruments – these include cash and various items, such as trade debtors, trade creditors and shareholder loans that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below. The Directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The Company seeks to manage financial risks by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and efficiently. Short and long term flexibility is achieved by shareholder subordinated loans and availability of bank funding.

Credit risk

The Company's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from the Company's trade debtors.

In order to manage credit risk Directors ensure debt ageing is reviewed regularly in conjunction with collection history, and monitored accordingly.

Interest rate risk

The Company finances its operations through a mixture of earnings and shareholder loans.

The loans hold an interest rate of 7.0% (2021: 7.0%).

METER FIT 20 LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Smart Meter Implementation Programme

On 18 June 2020, the Department for Business, Energy and Industrial Strategy (BEIS) determined a new target framework for energy retailers beyond 2020, when the All Reasonable Steps supplier installation obligation ended. The BEIS response postponed the end of the current obligation by six months to the end of June 2021, postponed the start of the new four-year regulatory framework to January 2022, and postponed the ultimate completion of the Smart Meter Implementation Programme (SMIP) to December 2025. The Directors believe that the delay to the end of the smart meter roll-out has not and will not materially change our view of the Company's growth prospects.

Future developments

The meter installation profile for the Company is for a period of 9 years to 2026, which covers both the foundation and mass roll out stages of the UK smart meter programme.

Following the completion of the installation phase, the business will enter the secondary phase in which the business monitors the performance of the installed portfolio for the remaining life of the assets.

Subsequent to the year-end in March 2023, the Group completed a refinancing, primarily replacing commercial bank facilities of £685.0m with new structured institutional debt facilities of £685.0m, which will be repayable between 2036 and 2043. The replaced facilities had maturity dates of between 2025 and 2026, significantly extending the average life of the finance facilities. The refinancing has had no impact on the group's assessment of its ability to continue as a going concern.

Section 172 Statement

Section 172 of the Companies Act 2006 requires a Director of a Company to act in the way he or she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so to have regard, among other matters, to: the likely consequences of any decision in the long term; the interests of the Company's employees; the need to foster the Company's business relationships with suppliers, customers and others; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly between members of the Company. The Directors consider the factors set out above in discharging their duties under section 172. The stakeholders that the Board considers in this regard are its customers, its shareholders, its colleagues, communities and the environment, alongside regulators and other government bodies. The Board recognises that building strong relationships with its stakeholders will help it to deliver its strategy in line with its purpose and operate the business in a sustainable way.

This report was approved by the Board and signed on its behalf.



B J Rennet
Director

Date: 28 June 2023

5th Floor
1 Marsden Street
Manchester
M2 1HW

Type text here

METER FIT 20 LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activity

The principal activity of the Company is to procure and install gas and electricity smart meters for domestic properties in accordance with agreements with its customers.

Results

The loss for the year, after taxation, amounted to £8,111,000 (2021: loss £9,233,000).

Directors

The Directors who served during the year were:

S Latus
S A Blackburn
P A McLelland
M J Bateman (appointed 16 November 2022)
D M Taylor (resigned 31 March 2022)
B J Rennet (appointed 19 January 2023)

Political donations

During the year ended 31 December 2022 there have been no political donations (2021: £Nil).

Going concern

The Directors have prepared the accounts using the going concern assumptions, more details of which are set out in Note 1.3 to the financial statements.

Disclosure of information to auditor

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

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

METER FIT 20 LIMITED

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

Auditor

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

This report was approved by the Board and signed on its behalf.



B J Rennet
Director

Date: 28 June 2023

5th Floor
1 Marsden Street
Manchester
M2 1HW

METER FIT 20 LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors are responsible for preparing the Strategic Report, 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 Statement of Comprehensive Income of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METER FIT 20 LIMITED

Opinion

We have audited the financial statements of Meter Fit 20 Limited ("the Company") for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

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 UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

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

Our conclusions based on this work:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METER FIT 20 LIMITED (CONTINUED)

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

- To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:
- Enquiring of Directors, the audit committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud and the Group's channel for "whistleblowing" as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Considering remuneration incentive schemes and performance targets for management, Directors and sales staff.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet profit targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- the risk that management may be in a position to make inappropriate accounting entries; and
- the risk of bias in accounting estimates; and
- the risk that revenue is overstated through recording revenues in the wrong period.

We did not identify any additional fraud risk factors.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included entries that contain unusual or unexpected combinations of debit and credit entries.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Directors (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METER FIT 20 LIMITED (CONTINUED)

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

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

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

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

Strategic Report and Directors' report

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

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

- we have not identified material misstatements in the strategic report and Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, 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 these respects

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF METER FIT 20 LIMITED (CONTINUED)

Directors' responsibilities

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

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

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.



Liza Eccleston (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 St Peters' Square
Manchester
M2 3AE

Date: 28 June 2023

METER FIT 20 LIMITED

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

	Note	2022 £000	2021 £000
Turnover	3	68,865	51,940
Cost of sales		(39,873)	(29,170)
Gross profit		28,992	22,770
Administrative expenses		(1,338)	(2,600)
Operating profit	4	27,654	20,170
Interest payable and similar expenses	6	(36,738)	(28,284)
Loss before tax		(9,084)	(8,114)
Tax on loss	7	973	(1,119)
Loss for the financial year		(8,111)	(9,233)

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Comprehensive Income.

There results presented above are all derived from the Company's continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

METER FIT 20 LIMITED
REGISTERED NUMBER:09919624

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	8	594,555	444,159
Current assets			
Debtors: amounts falling due within one year	10	44,286	35,547
Cash at bank and in hand	9	8,444	18,614
		<u>52,730</u>	<u>54,161</u>
Creditors: amounts falling due within one year	11	(659,524)	(505,883)
Net current liabilities		(606,794)	(451,722)
Total assets less current liabilities		(12,239)	(7,563)
Creditors: amounts falling due after more than one year	12	958	1,015
Provisions for liabilities			
Deferred tax	15	(14,466)	(11,088)
		<u>(14,466)</u>	<u>(11,088)</u>
Net liabilities		<u>(25,747)</u>	<u>(17,636)</u>
Capital and reserves			
Called up share capital	16	5	5
Profit and loss account		(25,752)	(17,641)
		<u>(25,747)</u>	<u>(17,636)</u>

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



B J Rennet
Director

Date: 28 June 2023

The notes on pages 13 to 26 form part of these financial statements.

METER FIT 20 LIMITED

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

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2021	5	(8,408)	(8,403)
Comprehensive income for the year			
Loss for the year	-	(9,233)	(9,233)
At 1 January 2022	5	(17,641)	(17,636)
Comprehensive income for the year			
Loss for the year	-	(8,111)	(8,111)
At 31 December 2022	5	(25,752)	(25,747)

The notes on pages 13 to 26 form part of these financial statements.

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

1. Accounting policies

1.1 Company information

Meter Fit 20 Limited ("the Company") is a private Company limited by shares and is domiciled, incorporated and registered in England.

The address of its registered office is 5th Floor, 1 Marsden Street, Manchester, M2 1HW and the registered number is 09919624.

1.2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. All amounts in the financial statements have been rounded to the nearest thousand pound.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company has taken advantage of section 33.1A of FRS 102 and not disclosed transactions with fellow Group companies.

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 (see Note 2).

The Company's controlling party in the UK at the 31 December 2022 was Calisen Limited, which therefore means that the ultimate parent and controlling party is GEPIF III Coyote Topco I Limited as set out in note 18.

METER FIT 20 LIMITED

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

1. Accounting policies (continued)

1.3 Going concern

The Company is a trading subsidiary of intermediate parent Meter Serve (Holdco 2) Limited. Notwithstanding net current liabilities of £606,794,000 as at 31 December 2022 (2021: £451,722,000), a loss for the year then ended of £8,112,000 (2021: £9,233,000), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors of Meter Serve (Holdco 2) Limited have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, there will be sufficient funds, through access to resources derived from the long term contractual revenue streams and cash resources, to meet its liabilities as they fall due for that period.

The Directors of Meter Serve (Holdco 2) Limited have indicated its intention to continue to make available such funds as are needed by the Company to meet its liabilities as they fall due for not less than 12 months from the date of approval of the financial statements. In addition, the Directors of Meter Serve (Holdco 2) Limited have confirmed that they will only seek repayment of the intercompany amounts due at the balance sheet date to the extent that it represents funds in excess of what is required to conduct normal business operations for not less than 12 months from the date of approval of these financial statements. As with any Company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Subsequent to the year-end in March 2023, the Group completed a refinancing, primarily replacing commercial bank facilities of £685.0m with new structured institutional debt facilities of £685.0m, which will be repayable between 2036 and 2043. The replaced facilities had maturity dates of between 2025 and 2026, significantly extending the average life of the finance facilities. The refinancing has had no impact on the group's assessment of its ability to continue as a going concern.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.4 Revenue

Revenue represents the rental income for meters receivable in the ordinary course of business.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

1.5 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.

METER FIT 20 LIMITED

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

1. Accounting policies (continued)

1.5 Tangible fixed assets (continued)

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:

Smart Meters	- 15 years
--------------	------------

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

1.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.7 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.

METER FIT 20 LIMITED

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

1. Accounting policies (continued)

1.8 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, loans to related parties and investments in ordinary shares.

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 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, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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.

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 the Statement of Comprehensive Income in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

METER FIT 20 LIMITED

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

1. Accounting policies (continued)

1.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 reporting 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.

2. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

Useful economic lives of tangible fixed assets

Useful economic lives (UEL) and residual values are re-assessed annually and are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The Company reviewed the policy in the year ended 31 December 2022 and determined the UELs to still be a reliable estimate and therefore no changes were made in the year ended 31 December 2022. The Company had tangible fixed assets with a net book value of £594,555 as at 31 December 2022 (31 December 2021: £444,159), see note 8 for the carrying value of fixed assets and note 1.5 for the accounting policy of fixed assets.

Financial instruments

All derivatives are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Adjustments are also made when valuing financial liabilities measured at fair value to reflect the Company's own credit risk. Where the market for a financial instrument is not active, fair value is established using a valuation technique. Valuation techniques are also involved to establish the effectiveness of the hedging relationship. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market-based data.

METER FIT 20 LIMITED

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

3. Turnover

An analysis of turnover by class of business is as follows:

	2022 £000	2021 £000
Rendering of services	68,865	51,940

All turnover arose within the United Kingdom.

4. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Depreciation of tangible fixed assets	37,752	27,054
Loss on disposal of fixed assets	1,940	2,116
Other operating income	(205)	(339)

The audit fee for the current and previous year has been borne by a fellow group Company.

5. Employees

The Company had no employees during the year ended 31 December 2022 or the year ended 31 December 2021 except for the Directors who did not receive any remuneration (2021: £Nil).

The Directors of the Company are remunerated by Calisen Group (Holdings) Limited for their services to the group as a whole. An estimate of the value of services provided to the Company, which represents a proportion of the total remuneration is £233,333 (2021: £425,000). This has not been recharged to the Company.

6. Interest payable and similar expenses

	2022 £000	2021 £000
Interest payable on shareholder subordinated loans	36,346	27,916
Loss on derivative financial instruments	(299)	(37)
Amortisation of debt issue costs	691	405
	36,738	28,284

Interest is charged at a market rate on shareholder subordinated loans and as such interest has been recognised based on actual amounts charged.

METER FIT 20 LIMITED

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

7. Taxation

	2022 £000	2021 £000
Corporation tax		
Adjustments in respect of previous periods	1,999	53
	<u>1,999</u>	<u>53</u>
Group taxation relief	(6,350)	(7,500)
	<u>(4,351)</u>	<u>(7,447)</u>
Taxation charge/(credit) on ordinary activities	<u>(4,351)</u>	<u>(7,447)</u>
Deferred tax		
Origination and reversal of timing differences	4,623	7,840
Adjustments in respect of prior periods	(2,705)	(53)
Effect of tax rate change on opening balance	1,460	779
Total deferred tax	<u>3,378</u>	<u>8,566</u>
Total tax charge/(credit) for the year	<u>(973)</u>	<u>1,119</u>

METER FIT 20 LIMITED

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

7. Taxation (continued)

Factors affecting tax charge for the year

	2022 £000	2021 £000
Loss on ordinary activities before tax	(9,084)	(8,114)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(1,726)	(1,542)
Effects of:		
Adjustments to tax charge in respect of prior periods- deferred tax	(2,705)	(53)
Remeasurement of deferred tax for changes in tax rates	1,459	2,661
Adjustment to tax charge in respect of prior periods	1,999	53
Group relief surrendered	6,350	7,500
Receipt for group relief	(6,350)	(7,500)
Total tax charge for the year	(973)	1,119

Factors that may affect future tax charges

The standard rate of UK corporation tax on ordinary activities was 19% in the year ended 31 December 2022 (31 December 2021: 19%). The UK Government has confirmed the increase in the corporation tax rate from 19% to 25%, enacted from 1 June 2021 and effective from 1 April 2023; therefore deferred taxation balances have been measured at 25% as this is the rate at which the balances will unwind.

METER FIT 20 LIMITED

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

8. Tangible fixed assets

	Plant and machinery £000
Cost or valuation	
At 1 January 2022	500,449
Additions	194,452
Disposals	(7,298)
At 31 December 2022	<u>687,603</u>
Depreciation	
At 1 January 2022	56,290
Charge for the year on owned assets	37,752
Disposals	(994)
At 31 December 2022	<u>93,048</u>
Net book value	
At 31 December 2022	<u><u>594,555</u></u>
At 31 December 2021	<u><u>444,159</u></u>

9. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	<u>8,444</u>	<u>18,614</u>

METER FIT 20 LIMITED

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

10. Debtors

	2022 £000	2021 £000
Trade debtors	9,630	6,803
Amounts owed by group undertakings	1,916	2,879
Prepayments and accrued income	17,306	14,924
Tax recoverable	12,009	9,897
Other debtors	3,425	1,044
	<u>44,286</u>	<u>35,547</u>

Amounts owed from group undertakings are repayable on demand.

11. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Shareholder subordinated loans	608,536	475,423
Debt issue costs	(604)	(619)
Trade creditors	29,742	16,159
Accruals and deferred income	21,850	14,920
	<u>659,524</u>	<u>505,883</u>

The shareholder subordinated loan notes are repayable on demand and hold an interest rate of 7.0% (2021: 7.0%).

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

	2022 £000	2021 £000
Debt Issue costs (Note 13)	(958)	(1,432)
Derivative Financial instruments (Note 14)	-	417
	<u>(958)</u>	<u>(1,015)</u>

METER FIT 20 LIMITED

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

13. Loans

Analysis of the maturity of loans is given below:

	2022 £000	2021 £000
Amounts falling due within one year		
Debt issue costs	(604)	(619)
Shareholder subordinated loans	608,536	475,423
	<u>607,932</u>	<u>474,804</u>
Amounts falling due 1-2 years		
Debt issue costs	(449)	(619)
	<u>(449)</u>	<u>(619)</u>
Amounts falling due 2-5 years		
Debt issue costs	(509)	(759)
	<u>(509)</u>	<u>(759)</u>
Amounts falling due after more than 5 years		
Debt issue costs	-	(54)
	<u>-</u>	<u>(54)</u>
	<u>606,974</u>	<u>473,372</u>

As at 31 December 2022, the Company have shareholder subordinated loans outstanding of £608,536,000 (2021: £475,423,000). The loan notes are repayable on demand and hold an interest rate of 7.0% (2021: 7.0%). The debt issue costs relate to advisor fees incurred as part of the refinancing arrangement within the group and have been aged in line with the external debt to which it is related.

METER FIT 20 LIMITED

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

14. Financial instruments

	2022 £000	2021 £000
Financial assets		
Financial assets that are a debt instrument measured at amortised cost	<u>19,990</u>	<u>28,296</u>
Financial liabilities		
Financial liabilities measured at amortised cost	51,592	31,080
Derivative financial instruments measured at fair value through the Statement of Comprehensive Income	-	417
	<u>51,592</u>	<u>31,497</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and amounts owed from group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and deferred income.

The Company holds a flexible forward contract which has a mark to market valuation of £Nil liability as at 31 December 2022 (2021: £417,000).

METER FIT 20 LIMITED

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

15. Deferred taxation

	2022 £000	2021 £000
At beginning of year	(11,088)	(2,522)
Credited to Statement of Comprehensive Income	(3,378)	(8,566)
At end of year	(14,466)	(11,088)

The provision for deferred taxation is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	(42,431)	(29,124)
Short term timing differences	-	104
Losses and other deductions	27,965	17,932
	(14,466)	(11,088)

16. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
5,000 (2021: 5,000) Ordinary shares of £1.00 each	5	5

17. Related party transactions

As at 31 December 2022, the Company was a wholly owned subsidiary of Meter Serve 20 Limited. At the year-end 100% of the Company's voting rights are controlled within the group headed by Calisen Limited. As permitted by FRS 12 33.1A, the Company has therefore not disclosed transactions or balances with entities which form part of the group.

Subsequent to the year-end, the group undertook a reorganisation and consequently the Company became a wholly owned subsidiary of Meter Serve (Holdco 2) Limited.

The consolidated financial statements of Calisen Limited within which this Company is included, can be obtained from the address given in note 18.

METER FIT 20 LIMITED

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

18. Controlling party

The Company's controlling party as at 31 December 2022 was Calisen Limited, which is indirectly owned by, a consortium consisting of (i) GEPIF (an energy and infrastructure fund managed by BlackRock Alternatives Management LLC, which is an indirect wholly-owned subsidiary of BlackRock, Inc.), together with its co-investor Ninteenth (an indirectly wholly-owned subsidiary of Mubadala); and (ii) Goldman Sachs Asset Management. Calisen Limited is ultimately indirectly owned by GEPIF, Mubadala and Goldman Sachs Asset Management in the following proportions: (a) GEPIF owns 46.84 per cent.; (b) Mubadala owns 16.98 per cent.; and (c) Goldman Sachs Asset Management owns 36.18 per cent. The ultimate controlling party of Calisen Limited is GEPIF III Coyote Topco I Limited, the address of which is 44 Esplanade, St Helier, Jersey, JE4 9WG. The smallest group in which the results of the Company for the period to 31 December 2022 are consolidated is that headed by Calisen Group (Holdings) Limited and the largest group is that headed by Calisen Limited; the consolidated financial statements of both groups are available to the public and may be obtained from 5th Floor, 1 Marsden Street, Manchester, M2 1HW.