

3TI ENERGY HUBS LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

BALANCE SHEET
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	971,252	650,763
Tangible assets	5	131,434	129,972
		<u>1,102,686</u>	<u>780,735</u>
Current assets			
Stocks		757,177	275,105
Debtors: amounts falling due within one year	6	1,407,446	741,981
Cash at bank and in hand	7	1,592,320	725,089
		<u>3,756,943</u>	<u>1,742,175</u>
Creditors: amounts falling due within one year	8	(1,211,903)	(1,068,783)
Net current assets		<u>2,545,040</u>	<u>673,392</u>
Total assets less current liabilities		<u>3,647,726</u>	<u>1,454,127</u>
Creditors: amounts falling due after more than one year	9	(411,429)	(445,287)
Net assets		<u><u>3,236,297</u></u>	<u><u>1,008,840</u></u>
Capital and reserves			
Called up share capital	10	17,380	1,381
Share premium account		5,521,112	2,356,698
Capital redemption reserve		371	371
Profit and loss account		(2,302,566)	(1,349,610)
		<u><u>3,236,297</u></u>	<u><u>1,008,840</u></u>

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2023

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

T Evans
Director

Date: 2 November 2023

The notes on pages 4 to 12 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 July 2021	1,153	269,239	-	(553,832)	(283,440)
Comprehensive income for the year					
Loss for the year	-	-	-	(795,778)	(795,778)
Total comprehensive income for the year	-	-	-	(795,778)	(795,778)
Purchase of own shares	-	-	371	-	371
Shares issued during the year	599	2,087,459	-	-	2,088,058
Shares redeemed during the year	(371)	-	-	-	(371)
Total transactions with owners	228	2,087,459	371	-	2,088,058
At 1 July 2022	1,381	2,356,698	371	(1,349,610)	1,008,840
Comprehensive income for the year					
Loss for the year	-	-	-	(952,956)	(952,956)
Total comprehensive income for the year	-	-	-	(952,956)	(952,956)
Shares issued during the year	15,999	3,164,414	-	-	3,180,413
Total transactions with owners	15,999	3,164,414	-	-	3,180,413
At 30 June 2023	17,380	5,521,112	371	(2,302,566)	3,236,297

The notes on pages 4 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

1. General information

3Ti Energy Hubs Ltd is a private company limited by shares, domiciled and registered in the United Kingdom, registered number 11868514.

The registered office is Riverbridge House, Guildford Road, Leatherhead, Surrey, KT22 9AD.

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 following principal accounting policies have been applied:

2.2 Going concern

The directors have reviewed the financial position of the Company and have agreed to provide any additional support required in order for the Company to meet its financial obligations as they fall due for a period of at least twelve months after the approval of these financial statements.

Based on the above the financial statements have been prepared on a going concern basis.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.4 Revenue

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 or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue 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 revenue 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 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 - 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.9 Finance costs

Finance costs are charged to profit or loss 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.

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)

2.12 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.13 Taxation

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

2.14 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.15 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

2. Accounting policies (continued)**2.15 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:

Leasehold property	-	25%	straight line
Plant and machinery	-	25%	straight line
Motor vehicles	-	14%	straight line
Fixtures and fittings	-	25%	straight line
Computer equipment	-	25%	straight line

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 profit or loss.

2.16 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.17 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.

2.18 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.

2.19 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. Accounting policies (continued)**2.20 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.

3. Employees

The average monthly number of employees, including directors, during the year was 26 (2022 - 15).

4. Intangible assets

	Development Costs - Papilio3	Software	Total
	£	£	£
Cost			
At 1 July 2022	650,763	-	650,763
Additions	395,943	-	395,943
Additions - internal	-	33,007	33,007
	<hr/>	<hr/>	<hr/>
At 30 June 2023	1,046,706	33,007	1,079,713
	<hr/>	<hr/>	<hr/>
Amortisation			
Charge for the year on owned assets	108,461	-	108,461
	<hr/>	<hr/>	<hr/>
At 30 June 2023	108,461	-	108,461
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 June 2023	<u>938,245</u>	<u>33,007</u>	<u>971,252</u>
At 30 June 2022	<u>650,763</u>	<u>-</u>	<u>650,763</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**
5. Tangible fixed assets

	Leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 July 2022	-	-	127,311	1,356	14,594	143,261
Additions	5,020	8,085	-	2,250	11,216	26,571
Disposals	-	-	-	(820)	(640)	(1,460)
At 30 June 2023	5,020	8,085	127,311	2,786	25,170	168,372
Depreciation						
At 1 July 2022	-	-	7,578	244	5,467	13,289
Charge for the year on owned assets	941	200	-	46	5,735	6,922
Charge for the year on financed assets	-	-	18,187	-	-	18,187
Disposals	-	-	-	(820)	(640)	(1,460)
At 30 June 2023	941	200	25,765	(530)	10,562	36,938
Net book value						
At 30 June 2023	4,079	7,885	101,546	3,316	14,608	131,434
At 30 June 2022	-	-	119,733	1,112	9,127	129,972

6. Debtors

	2023 £	2022 £
Trade debtors	855,341	620,358
Amounts owed by group undertakings	360,000	-
Other debtors	137,159	115,542
Prepayments and accrued income	54,946	6,081
	<u>1,407,446</u>	<u>741,981</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

7. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>1,592,320</u>	<u>725,089</u>

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	10,000	10,000
Trade creditors	617,143	446,030
Other taxation and social security	381,734	237,638
Obligations under finance lease and hire purchase contracts	23,858	21,663
Other creditors	21,599	312,452
Accruals and deferred income	157,569	41,000
	<u>1,211,903</u>	<u>1,068,783</u>

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

	2023 £	2022 £
Bank loans	19,167	29,167
Other loans	350,000	350,000
Net obligations under finance leases and hire purchase contracts	42,262	66,120
	<u>411,429</u>	<u>445,287</u>

The bank loan and other loan fall due for repayment within 5 years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

10. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
1,683,765 (2022 - 132,700) Ordinary shares of £0.01 each	16,838	1,327
54,150 (2022 - 5,400) Ordinary "A" shares of £0.01 each	542	54
	<hr/>	<hr/>
	<u>17,380</u>	<u>1,381</u>

During the year 1,551,065 Ordinary share of £0.01 and 48,750 Ordinary "A" shares of £0.01 were issued.

11. Pension commitments

The Company operates a defined contributions pension scheme. Contributions totalling £18,571 (2022 - £9,413) were payable to the fund at the balance sheet date and are included in creditors.

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