

Registered number: 11906896

**ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME
DEVELOPMENTS II LIMITED)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**



ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

COMPANY INFORMATION

Directors S C Bannerman (resigned 22 November 2021)
C C Fisher
A Pike
S S Toor
C D Marsh (appointed 23 November 2021)
C Allen (appointed 8 June 2022)

Company secretary C Allen

Registered number 11906896

Registered office 15 Diddenham Court
Lambwood Hill
Grazeley
Reading
Berkshire
RG7 1JQ

Independent auditor Anderson Anderson & Brown Audit LLP
Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

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ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2022

The directors present their report and the financial statements for the 15-month period ended 31 March 2022.

Enviromena Developments Italy Limited ("the Company") was incorporated in the United Kingdom on 26 March 2019 (previously registered as ME Developments II Limited). The Company serves as the senior holding company for the Enviromena Developments Italy Limited Group ("the Group").

The Company's principal activity is to act as a holding company for investment in renewable energy projects in Italy. The ultimate subsidiaries of the Company are Italian-registered Special Purpose Vehicles ("SPV") whose principal activity is the generation of solar electricity. These subsidiaries, along with the Company and corresponding intermediary UK-registered holding companies, form the basis of the Group structure.

The Group's financial year end was changed from 31 December to 31 March to align with the end of the UK tax year. Accordingly, the financial statements have been prepared for 15 months from 1 January 2021 to 31 March 2022 and the prior year figures stated in the income statement, statement of changes in equity and the related notes are not directly comparable.

Directors

The directors who served during the period were:

S C Bannerman (resigned 22 November 2021)
C C Fisher
A Pike
S S Toor
C D Marsh (appointed 23 November 2021)

Going concern

At the period end, the Group had net assets of £6,541,527 (2020 - £2,611,869) and net current assets of £6,425,804 (2020 - £2,611,869). The directors, having made due and careful enquiry, are of the opinion that the Group and Company has adequate working capital to execute its operations over the next 12 months. The directors, therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future.

The directors remain confident that the Company and Group can continue to operate as a going concern. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Qualifying third party indemnity provisions

The Company, as permitted by section 234 and section 235 of the Companies Act 2006, maintains insurance cover on behalf of the directors, indemnifying them against certain liabilities which may be incurred by them in relation to the Company.

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 and the Group'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 and the Group's auditor is aware of that information.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 MARCH 2022**

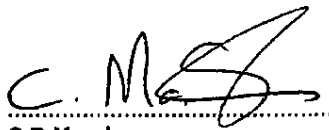
Auditor

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

Small companies note

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.

A handwritten signature in black ink, appearing to read 'C. Marsh', is written over a horizontal dotted line.

C D Marsh
Director

Date: 02/11/2022.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2022**

The directors are responsible for preparing the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

Opinion

We have audited the financial statements of Enviromena Developments Italy Limited (formerly ME Developments II Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the period ended 31 March 2022, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group and Company Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's loss for the period 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED) (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Group strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED) (CONTINUED)

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 Group financial statements.

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

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the company's key performance indicators to meet targets
- Timing and completeness of revenue recognition
- Management judgement applied in calculating provisions
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgments made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Considered the appropriateness of management's going concern assumption
- Enquiries on the recoverability of debtors and creditors

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED) (CONTINUED)

Use of our report

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

James Pirrie (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View

Prime Four Business Park

Kingswells

Aberdeen

AB15 8PU

Date:

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2022**

	15 months ended 31 March 2022 £	Year ended 31 December 2020 £
Turnover	7,527	-
Gross profit	7,527	-
Administrative expenses	(501,159)	(392,296)
Operating loss	(493,632)	(392,296)
Interest receivable and similar income	21	-
Interest payable and similar expenses	(282)	-
Loss before taxation	(493,893)	(392,296)
Tax on loss	(17,287)	-
Loss for the financial year	(511,180)	(392,296)
Currency translation differences	(15,762)	7,764
Other comprehensive (loss)/income for the period	(15,762)	7,764
Total comprehensive loss for the period	(526,942)	(384,532)

The notes on pages 13 to 21 form part of these financial statements.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)


REGISTERED NUMBER:11906896

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	31 March 2022 £	31 December 2020 £
Fixed assets			
Tangible assets		115,723	-
		<u>115,723</u>	<u>-</u>
Current assets			
Debtors: amounts falling due after more than one year	6	996,861	-
Debtors: amounts falling due within one year	6	6,250,861	1,555,707
Cash at bank and in hand	7	211,361	1,230,637
		<u>7,459,083</u>	<u>2,786,344</u>
Creditors: amounts falling due within one year	8	(1,033,279)	(174,475)
Net current assets		<u>6,425,804</u>	<u>2,611,869</u>
Total assets less current liabilities		<u>6,541,527</u>	<u>2,611,869</u>
Net assets		<u>6,541,527</u>	<u>2,611,869</u>
Capital and reserves			
Called up share capital	10	1	1
Foreign exchange reserve		(7,998)	7,764
Other reserves	11	7,453,000	2,996,400
Profit and loss account		(903,476)	(392,296)
		<u>6,541,527</u>	<u>2,611,869</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:


.....
C D Marsh
Director

Date: 02/11/2022.

The notes on pages 13 to 21 form part of these financial statements.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

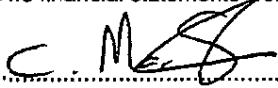
REGISTERED NUMBER: 11906896

**COMPANY BALANCE SHEET
AS AT 31 MARCH 2022**

	Note	31 March 2022 £	31 December 2020 £
Fixed assets			
Investments	5	33	35
		<u>33</u>	<u>35</u>
Current assets			
Debtors: amounts falling due within one year	6	6,727,371	2,023,640
Cash at bank and in hand	7	96,940	1,230,637
		<u>6,824,311</u>	<u>3,254,277</u>
Creditors: amounts falling due within one year	8	(25,000)	(641,793)
Net current assets		<u>6,799,311</u>	<u>2,612,484</u>
Total assets less current liabilities		<u>6,799,344</u>	<u>2,612,519</u>
Net assets		<u><u>6,799,344</u></u>	<u><u>2,612,519</u></u>
Capital and reserves			
Called up share capital	10	1	1
Other reserves	11	7,453,000	2,996,400
Profit and loss account brought forward		(383,882)	-
Loss for the period		<u>(269,775)</u>	<u>(383,882)</u>
Profit and loss account carried forward		<u>(653,657)</u>	<u>(383,882)</u>
		<u><u>6,799,344</u></u>	<u><u>2,612,519</u></u>

The Company's financial statements have been prepared in accordance with the 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:


.....
C D Marsh
Director

Date: 02/11/2022.

The notes on pages 13 to 21 form part of these financial statements.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022**

	Called up share capital	Foreign exchange reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2020	1	-	-	-	1
Loss for the year	-	-	-	(392,296)	(392,296)
Currency translation differences	-	7,764	-	-	7,764
Shareholder contribution	-	-	2,996,400	-	2,996,400
At 1 January 2021	<u>1</u>	<u>7,764</u>	<u>2,996,400</u>	<u>(392,296)</u>	<u>2,611,869</u>
Loss for the period	-	-	-	(511,180)	(511,180)
Currency translation differences	-	(15,762)	-	-	(15,762)
Shareholder contribution	-	-	4,456,600	-	4,456,600
At 31 March 2022	<u>1</u>	<u>(7,998)</u>	<u>7,453,000</u>	<u>(903,476)</u>	<u>6,541,527</u>

The notes on pages 13 to 21 form part of these financial statements.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2022**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1	-	-	1
Loss for the year	-	-	(383,882)	(383,882)
Shareholder contribution	-	2,996,400	-	2,996,400
At 1 January 2021	<u>1</u>	<u>2,996,400</u>	<u>(383,882)</u>	<u>2,612,519</u>
Loss for the period	-	-	(269,775)	(269,775)
Shareholder contribution	-	4,456,600	-	4,456,600
At 31 March 2022	<u>1</u>	<u>7,453,000</u>	<u>(653,657)</u>	<u>6,799,344</u>

The notes on pages 13 to 21 form part of these financial statements.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

1. General information

Enviromena Developments Italy Limited is a private limited company incorporated in England and Wales. The registered office is 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, Berkshire, RG7 1JQ.

The Company's principal activity is to act as a holding company for investment in renewable energy projects in Italy. The ultimate subsidiaries of the Company are Italian-registered Special Purpose Vehicles ("SPV") whose principal activity is the generation of solar electricity. These subsidiaries, along with the Company and corresponding intermediary UK-registered holding companies, form the basis of the Group structure.

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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 26 March 2019.

The Group is not required to prepare a set of consolidated financial statements for the period, however it has elected to do so in line with expected growth in subsequent reporting periods.

2.3 Going concern

At the period end, the Group had net assets of £6,541,527 (2020 - £2,611,869) and net current assets of £6,425,804 (2020 - £2,611,869). The directors, having made due and careful enquiry, are of the opinion that the Group and Company has adequate working capital to execute its operations over the next 12 months. The directors, therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future.

The directors remain confident that the Company and Group can continue to operate as a going concern. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.4 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 Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 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 at the fair value of the consideration received or receivable, excluding any discounts, rebates, value added tax and other sales taxes.

Revenue from sale of goods

Revenue from the sale of goods is recognised when goods have been delivered to customers such that this risks and rewards of ownership have been transferred to them.

Revenue from service contracts

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the pattern of service delivered under the contract when both the amount of revenue can be measured reliably and it is probable that the Company will receive the consideration due under contract.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

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 to 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 Interest income

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

2.8 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.

2.9 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 and the Group operate and generate income.

2.10 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.

Land is not depreciated.

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.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 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.

2.15 Financial instruments

The Group 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 for the Group and Company, excluding directors, for the period was 0 (2020 - 0).

4. Tangible fixed assets

Group

	Land £
Cost or valuation	
Additions	115,723
At 31 March 2022	<u>115,723</u>
Net book value	
At 31 March 2022	<u>115,723</u>
At 31 December 2020	<u>-</u>

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

5. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	35
Disposals	(2)
At 31 March 2022	<u>33</u>
Net book value	
At 31 March 2022	<u><u>33</u></u>
At 31 December 2020	<u><u>35</u></u>

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

5. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Costa Solar 001 Limited*	England	Ordinary	100%
Costa Solar 002 Limited*	England	Ordinary	100%
Costa Solar 003 Limited*	England	Ordinary	100%
Costa Solar 004 Limited*	England	Ordinary	100%
Costa Solar 005 Limited*	England	Ordinary	100%
Costa Solar 006 Limited*	England	Ordinary	100%
Costa Solar 007 Limited*	England	Ordinary	100%
Costa Solar 008 Limited*	England	Ordinary	100%
Costa Solar 009 Limited*	England	Ordinary	100%
Costa Solar 010 Limited*	England	Ordinary	100%
Costa Solar 011 Limited*	England	Ordinary	100%
Costa Solar 012 Limited*	England	Ordinary	100%
Costa Solar 013 Limited*	England	Ordinary	100%
Costa Solar 014 Limited*	England	Ordinary	100%
Costa Solar 015 Limited*	England	Ordinary	100%
Costa Solar 016 Limited*	England	Ordinary	100%
Costa Solar 017 Limited*	England	Ordinary	100%
Costa Solar 018 Limited*	England	Ordinary	100%
Costa Solar 019 Limited*	England	Ordinary	100%
Costa Solar 020 Limited*	England	Ordinary	100%
Costa Solar 021 Limited*	England	Ordinary	100%
Costa Solar 022 Limited*	England	Ordinary	100%
Costa Solar 023 Limited*	England	Ordinary	100%
Costa Solar 024 Limited*	England	Ordinary	100%
Costa Solar 025 Limited*	England	Ordinary	100%
Costa Solar 026 Limited*	England	Ordinary	100%
Costa Solar 027 Limited*	England	Ordinary	100%
Costa Solar 028 Limited*	England	Ordinary	100%
Costa Solar 029 Limited*	England	Ordinary	100%
Costa Solar 030 Limited*	England	Ordinary	100%
Costa Solar 031 Limited*	England	Ordinary	100%
Costa Solar 032 Limited*	England	Ordinary	100%
Costa Solar 033 Limited*	England	Ordinary	100%
Costa Solar Italy 001 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 002 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 003 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 004 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 005 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 006 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 007 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 008 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 009 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 010 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 011 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 012 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 013 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 014 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 017 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 018 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 019 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 020 S.R.L	Italy	Ordinary	100%

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

5. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Costa Solar Italy 021 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 022 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 023 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 028 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 029 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 030 S.R.L	Italy	Ordinary	100%
Costa Solar Italy 032 S.R.L	Italy	Ordinary	100%

All of the above subsidiaries that are incorporated in England have their registered office at the same address as the parent company, 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, Berkshire, United Kingdom, RG7 1JQ. These are all direct subsidiaries.

All of the above subsidiaries that are incorporated in Italy have their registered office at Viale Pasteur, 78, 00144, Roma (RM), Italy. These are all indirect subsidiaries.

*For the year ended 31 March 2022, these subsidiaries are entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

6. Debtors

	Group 31 March 2022 £	Group 31 December 2020 £	Company 31 March 2022 £	Company 31 December 2020 £
Due after more than one year				
Other debtors	996,861	-	-	-
	<u>996,861</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Group 31 March 2022 £	Group 31 December 2020 £	Company 31 March 2022 £	Company 31 December 2020 £
Due within one year				
Amounts owed by group undertakings	1	-	-	216,387
Amounts owed by related parties	6,157,486	1,300,637	6,694,605	1,776,333
Other debtors	93,374	255,070	32,766	30,920
	<u>6,250,861</u>	<u>1,555,707</u>	<u>6,727,371</u>	<u>2,023,640</u>

The amounts owed by related parties are repayable on demand and do not carry interest.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

7. Cash and cash equivalents

	Group 31 March 2022 £	Group 31 December 2020 £	Company 31 March 2022 £	Company 31 December 2020 £
Cash at bank and in hand	211,361	1,230,637	96,940	1,230,637
	<u>211,361</u>	<u>1,230,637</u>	<u>96,940</u>	<u>1,230,637</u>

8. Creditors: Amounts falling due within one year

	Group 31 March 2022 £	Group 31 December 2020 £	Company 31 March 2022 £	Company 31 December 2020 £
Trade creditors	-	63,892	-	63,892
Amounts owed to group undertakings	-	-	-	467,318
Amounts owed to other participating interests	1,005,846	-	-	-
Other creditors	886	-	-	-
Accruals and deferred income	26,547	110,583	25,000	110,583
	<u>1,033,279</u>	<u>174,475</u>	<u>25,000</u>	<u>641,793</u>

9. Financial instruments

	Group 31 March 2022 £	Group 31 December 2020 £	Company 31 March 2022 £	Company 31 December 2020 £
Financial assets				
Financial assets measured at fair value through profit or loss	211,361	1,230,637	96,940	1,230,637
	<u>211,361</u>	<u>1,230,637</u>	<u>96,940</u>	<u>1,230,637</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2022**

10. Share capital

	31 March 2022 £	31 December 2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £0.01 each	1	1

11. Other reserves

During the period, the Company received \$6m in the form of capital contribution from it's shareholder.

12. Related party transactions

The group has taken advantage of the exemption given by section 1AC.35 of FRS 102, which allows exemption from disclosure of related party transactions with group companies which are 100% owned.

13. Controlling party

The company is under the ultimate control of the immediate parent company AIP Infrastructure LP, a limited partnership registered in Scotland.

Registered number: 11906896

**ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME
DEVELOPMENTS II LIMITED)**

DETAILED ACCOUNTS

FOR THE PERIOD ENDED 31 MARCH 2022

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**COMPANY DETAILED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2022**

	15 months ended 31 March 2022 £	31 December 2020 £
Note		
Gross profit	-	-
Gross profit %	0.0 %	0.0 %
Less: overheads		
Administration expenses	(269,775)	(383,882)
Operating loss	(269,775)	(383,882)
Loss for the period/year	(269,775)	(383,882)

ENVIROMENA DEVELOPMENTS ITALY LIMITED (FORMERLY ME DEVELOPMENTS II LIMITED)

**SCHEDULE TO THE DETAILED ACCOUNTS
FOR THE PERIOD ENDED 31 MARCH 2022**

	15 months ended 31 March 2022 £	31 December 2020 £
Administration expenses		
Legal and professional	229,748	382,186
Auditors' remuneration	44,125	-
Bank charges	10,897	1,696
Difference on foreign exchange	(11,724)	-
Irrecoverable VAT	(3,646)	-
Late filing penalties	375	-
	<u>269,775</u>	<u>383,882</u>