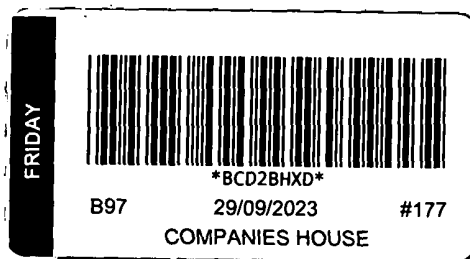


COMPANY REGISTRATION NUMBER: 08959138

AEG Coalswitch Ltd
Financial Statements
31 December 2022



AEG Coalswitch Ltd
Financial Statements
Year ended 31 December 2022

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AEG Coalswitch Ltd

Officers and Professional Advisers

The board of directors	Mr M Rowan Mr J G Leahy
Company secretary	MSP Secretaries
Registered office	27-28 Eastcastle Street London United Kingdom W1W 8DH
Auditor	Jeffreys Henry LLP Chartered accountants & statutory auditor Finsgate 5-7 Cranwood Street London United Kingdom EC1V 9EE
Solicitors	DWF LLP 20 Fenchurch Street London United Kingdom EC3M 3AG

AEG Coalswitch Ltd

Directors' Report

Year ended 31 December 2022

The directors present their report and the financial statements of the company for the year ended 31 December 2022.

Principal activities

The principal activity of the company during the year was to provide corporate services to the wider Active Energy group of companies.

Directors

The directors who served the company during the year were as follows:

Mr M Rowan	
Mr J G Leahy	(Appointed 11 October 2022)
Mr A L Diamond	(Resigned 23 August 2022)

Dividends

The Statement of Comprehensive Income is set out on page 8 and shows the profit/loss for the year.

The directors do not recommend the payment of a dividend.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AEG Coalswitch Ltd

Directors' Report *(continued)*

Year ended 31 December 2022

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 28th September 2023 and signed on behalf of the board by:



T M S Rowan (Sep 29, 2023 05:44 EDT)

Mr M Rowan
Director

Registered office:
27-28 Eastcastle Street
London
United Kingdom
W1W 8DH

AEG Coalswitch Ltd

Independent Auditor's Report to the Members of AEG Coalswitch Ltd

Year ended 31 December 2022

Opinion

We have audited the financial statements of AEG CoalSwitch Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, and the related notes to the Financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which explains that the Company is dependent upon support from its parent undertaking, Active Energy Group Plc ("the Group") to commercialise or develop its core business. The Directors of the Company and the Group have identified a variety of potential sources of funds including issue of additional equity and/or debt, sale of assets, revenue from future operations and tax credits. In addition, the Directors have identified additional cost reductions which may be implemented, if necessary.

These events or conditions, along with other matters are set forth in note 2, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our evaluation of the Directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a detailed review of Group's future forecasts and assessing the assumptions utilised by management in preparing the forecast. These assumptions were further assessed along with those used in the prior year to determine reasonability. We have reviewed the Group cash held at year end up to the date of signing of this report and have further taken into account management's previous ability to raise equity funding for the Group when required in order to maintain operations.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

AEG Coalswitch Ltd

Independent Auditor's Report to the Members of AEG Coalswitch Ltd (continued)

Year ended 31 December 2022

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

AEG Coalswitch Ltd

Independent Auditor's Report to the Members of AEG Coalswitch Ltd (continued)

Year ended 31 December 2022

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence.
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit; and
- we assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
 - making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
 - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

AEG Coalswitch Ltd

Independent Auditor's Report to the Members of AEG Coalswitch Ltd *(continued)*

Year ended 31 December 2022

To address the risk of fraud through management bias and override of controls, we:

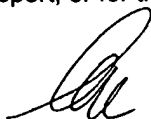
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 of the Group financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions; and
- in response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:
 - agreeing financial statement disclosures to underlying supporting documentation;
 - reading the minutes of meetings of those charged with governance;
 - enquiring of management as to actual and potential litigation and claims; and
 - reviewing correspondence with HMRC and the group's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of noncompliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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



Sudhir Rawal
Senior Statutory Auditor
For and on behalf of
Jeffreys Henry LLP
Chartered accountants & statutory auditor
Finsgate
5-7 Cranwood Street
London
United Kingdom
EC1V 9EE

29th September 2023

AEG Coalswitch Ltd
Statement of Comprehensive Income
Year ended 31 December 2022

	Note	2022 \$	2021 \$
Administrative expenses		(571)	1,159
Operating profit/(loss)	7	<u>571</u>	<u>(1,159)</u>
Profit/(loss) before taxation		<u>571</u>	<u>(1,159)</u>
Tax on profit/(loss)	8	<u>-</u>	<u>-</u>
Profit/(loss) for the financial year and total comprehensive income		<u><u>571</u></u>	<u><u>(1,159)</u></u>

All the activities of the company are from continuing operations.

The notes on pages 11 to 15 form part of these financial statements.

AEG Coalswitch Ltd
Statement of Financial Position
As at **31 December 2022**

	Note	2022 \$	2021 \$
Accounts payables: Amounts falling due within one year	9	9,395	9,966
Net current liabilities		9,395	9,966
Total assets less current liabilities		(9,395)	(9,966)
Capital and reserves			
Called up share capital	10	2	2
Capital reserve	11	333,203	333,203
Retained earnings		(342,600)	(343,171)
Shareholder's deficit		(9,395)	(9,966)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors and authorised for issue on ... September 2023, and are signed on behalf of the board by:



T M S Rowan (Sep 29, 2023 05:44 EDT)

Mr M Rowan
Director

Company registration number: 08959138

The notes on pages 11 to 15 form part of these financial statements.

AEG Coalswitch Ltd
Statement of Changes in Equity
Year ended 31 December 2022

	Called up share capital \$	Capital reserve \$	Retained earnings \$	Total \$
At 1 January 2021	2	333,203	(342,012)	(8,807)
Loss for the year	—	—	(1,159)	(1,159)
Total comprehensive income for the year	—	—	(1,159)	(1,159)
At 31 December 2021	2	333,203	(343,171)	(9,966)
Profit for the year	—	—	571	571
Total comprehensive income for the year	—	—	571	571
At 31 December 2022	<u>2</u>	<u>333,203</u>	<u>(342,600)</u>	<u>(9,395)</u>

The notes on pages 11 to 15 form part of these financial statements.

AEG Coalswitch Ltd

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

AEG Coalswitch Limited (formerly Active Energy Services UK Limited) ("The Company") is a private company limited by shares and is incorporated in England. The registered office of the Company is 27-28 Eastcastle, London, W1W 8DH. The registered company number is 08959138.

2. Accounting policies

Basis of preparation

The Company financial statements have been prepared in accordance with United Kingdom Accounting standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 101 Reduced Disclosure Framework. In summary those disclosure exemptions are:

- The requirements in paragraph 38 of IAS1 Presentation of Financial Statements to present comparative information in respect of:
 - a reconciliation of the number of shares outstanding at the start and end of the prior period;
- The requirements of 10(d) and 111 (statement of cash flows), 134 to 136 (managing capital) and 16 (statement of compliance with IFRS) of IFRS1 Presentation of Financial Statement.
- The requirements of IAS 7 Statement of Cash Flows and related notes
- The requirements of paragraph 17 IAS 24 Related Party Disclosures.
- The requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- The requirements of paragraph 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135© to 135(e) of IAS36 impairment of assets, provided that equivalent disclosures are provided are included in the consolidated financial statements of the group in which the entity is consolidated.
- The effects of future accounting standards not adopted.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

AEG Coalswitch Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

Going concern

The directors have reviewed the going concern basis of preparation of these Financial Statements.

The Company is dependent upon support from its parent undertaking, Active Energy Group Plc ("the Group") to commercialise or develop its core business. The Directors of the Company and the Group have identified a variety of potential sources of funds including issue of additional equity and/or debt, sale of assets, revenue from future operations and tax credits. In addition, the Directors have identified additional cost reductions which may be implemented, if necessary.

Active Energy Group Plc is ultimately dependant on the Active Energy Groups' funding position, its ability to generate profitable returns from its CoalSwitch® product, or its ability to raise funding to support the group until such time as it becomes profitable.

The directors have considered these uncertainties and providing the Company retains the support from "the Group", have determined that reporting on the going concern basis is appropriate. The Board are of the opinion that the factors set out above constitute material uncertainties in relation to the Group's and in turn the Company's ability to continue as a going concern. The Directors acknowledge that these uncertainties may cast significant doubt on the Group's and Company's ability to continue as a going concern. The financial statements do not include any adjustments that would arise if the Company were to be unable to continue as a going concern.

Disclosure exemptions

In preparing these financial statements the company has taken advantage of all disclosure exemptions conferred by FRS101 as detailed above.

In addition, and in accordance with FRS101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Active Energy Group Plc. These financial statements do not include certain disclosures in respect of:

- Share based payments;
- Financial instrument disclosures as required by IFRS 7 Financial Instruments;

Disclosures; and

- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

The financial statements of Active Energy Group Plc can be obtained as described in note 13.

Judgements and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS101 requires the use of certain critical accounting estimates. It also required management to exercise judgement in the most appropriate application in applying the Company's accounting policies.

There were no significant accounting estimates. The determination of the appropriateness of reporting on a going concern basis (disclosed above) was the only area of significant judgment.

AEG Coalswitch Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

2. Accounting policies *(continued)*

Income tax

The charge for taxation is based on the profit for the year and takes into account deferred taxation.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in the respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax balances are not discounted.

Foreign currencies

Transactions entered into by the Company in a currency other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss. The Directors have determined that the presentation currency be US dollars. The functional currency is GBP.

3. Employees

The average number of employees during the year was nil (2021: nil) and there were no staff costs in the year.

4. Directors

There are no directors' emoluments directly attributable to AEG Coalswitch Limited. Disclosure of emoluments received by the directors for the services to the Group is available in the accounts of Active Energy Group plc.

5. Turnover

There was no turnover during the year.

6. Audit remuneration

Audit fees of \$3,093 are borne by the ultimate parent undertaking (2021: \$3,440).

7. Financing costs

Operating profit or loss is stated after charging/crediting:

	2022	2021
	\$	\$
Foreign exchange differences	<u>(1,078)</u>	<u>695</u>

AEG Coalswitch Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

8. Tax on profit/(loss)

Reconciliation of tax income

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022	2021
	\$	\$
Profit/(loss) on ordinary activities before taxation	571	(1,159)
Profit/(loss) on ordinary activities by rate of tax	108	(220)
Effect of expenses not deductible for tax purposes	—	26
Current year losses for which no deferred tax asset was recognised	(108)	194
Tax on profit/(loss)	—	—

Deferred tax assets are only recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable.

9. Accounts payables: Amounts falling due within one year

	2022	2021
	\$	\$
Amounts owed to group undertakings	9,395	8,748
Other accounts payable	—	1,218
	<u>9,395</u>	<u>9,966</u>

10. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	\$	No.	\$
Ordinary shares of £1 each	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>

11. Capital reserve

There was a capital contribution of \$333,203 during 2014 resulting from the waiver of an intra-group loan.

12. Post balance sheet events

There were no post balance sheet events for the Company.

13. Controlling party

At 31 December 2022 the company's ultimate parent company was Active Energy Group Plc which is the parent of both the smallest and largest groups of which the company is a member. Active Energy Group Plc does not have any controlling parties.

AEG Coalswitch Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

Copies of the consolidated financial statements of Active Energy Group Plc are available from Companies House or www.aegplc.com/investors/corporate-documents/