

SNRG LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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SNRG LIMITED

COMPANY INFORMATION

Directors

L Adami
S Hussain

Registered number

11632286

Registered office

Orchard Hill
The Common
Potten End
Berkhamsted
Hertfordshire
HP4 2QF

Independent auditors

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
101 Cambridge Science Park
Milton Road
Cambridge
CB4 0FY

SNRG LIMITED

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SNRG LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors present their report and the financial statements for the year ended 31 December 2023.

Principal activity

The principal activity of SNRG Limited was the provision of an end-to-end service designing, funding, building and operating microgrids that reduce the risk, cost and complexity of the all-electric, zero carbon transition.

Results and dividends

The loss for the year, after taxation, amounted to £5,735,367 (2022: loss £2,894,446).

Directors

The directors who served during the year were:

L Adami
S Hussain

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 and applicable law, including FRS 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 and 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;
- 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 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.

Qualifying third party indemnity provisions

The immediate parent company, SNRG Investment Limited, maintains liability insurance and indemnities to the extent permitted by law for its subsidiary SNRG Limited's Directors and Officers. The insurance provides no cover if a Director or Officer is proven to have acted fraudulently or dishonestly. The indemnity is categorised as a 'qualifying third-party indemnity' for the Companies Act 2006 and will continue in force for the benefit of Directors and Officers on an ongoing basis.

SNRG LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Greenhouse gas emissions, energy consumption and energy efficiency action

Last year I commented on the growing number of customer opportunities that SNRG's "Place Based Power" funded Smartgrid Proposition was realising. This year that approach has accelerated due to our multi-segmented approach to market and the demand for affordable electricity delivered within a grid constrained environment.

There is no doubt about the growing momentum for SNRG's funded Smartgrid proposition across its key market segments within:

New Build:

- Residential
- Commercial & Industrial

Retrofit:

- C&I
- Mid-Size
- Large Scale
- Mobility hub Charging -includes Domestic Commercial plus Transport

The challenges around Grid Constraints, site viability, EPC and ESG commitments (for portfolio holders) are key driving factors for customers wanting to adopt our funded proposition.

Outside of a growing New Build C&I market, a new segment for Data and AI centres is emerging with high electricity demand projects looking for a proposition. We will be announcing key collaboration partnerships to determine a solution for this emerging market space.

Residential:

The outlook for the Residential market space continues to gather significant momentum with our pipeline growing at its fastest rate.

The new Labour Government is also making house building (by simplifying Planning) a central pillar of its manifesto pledge to deliver 300k homes. At the time of writing Quoted House Builders share price rose by an average 2% last week on that news.

SNRG's proposition is designed to deliver value for all participants in Land to Consumer ecosystem as from '25 the Future Homes Standard mandates the use of Heat pumps instead of Gas Boilers from and looks to mandate rooftop Solar for new build housing. A common barrier remains with obtaining timely and cost effective Grid Capacity, reducing complexity (Heat Pumps/Heat Networks, EV charging).

Our Funded Smartgrid proposition alongside our iDNO helps Landowners, Masterdevelopers, Developers, Portfolio holders Consumers, reduce costs and complexity. Plus we offer a market leading Smartgrid Asset Value Contribution helping visibility and delivering a better developed product. Garden Towns in particular are also receiving the new Governments attention.

We have some major announcements of Contract wins and Key collaborations enabling us a greater foothold in this significant and emerging space and the house building market looks to catch-up from the last three years alongside meeting the new government' mandate.

SNRG, in collaboration with a Local Authority and a Garden Town, is developing an exciting new funded Stewardship proposition which provides long term shared revenue pools, meeting regulatory compliance and delivering on net zero/climate emergency obligations.

SNRG LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)Commercial and Industrial

From a standing start and in just over two years SNRG is making some significant inroads into this market space within both New Build and Retrofit. Our project sizes are increasing, our time to contract reducing and pipeline growing with several projects underway and in development as we deploy capital into several projects. Additionally we are contracting a significant number of portfolio (single owner-single or multi-tenanted) opportunities. SNRG has also been informed that has been awarded nominated partner for one of the largest scientific Campus in the UK.

All of the above increases credence and creates brand awareness enabling SNRG to secure opportunities either through direct to market or via its generous referrer program.

Overall SNRG is a rapidly growing company, creating its own brand identity within an emerging market for decarbonisation of the built environment and Mobility.

I must also thank my talented colleagues and partners to whom we owe our deepest gratitude. Our success is achieved through their dedication, commitment, loyalty and hard work and in making SNRG a great place to work and develop.

We therefore remain upbeat and are driving the business towards achieving and exceeding the commitments we have set out in our Business Plan.

Post balance sheet events

There have been no significant events affecting the Company since the balance sheet date that would require adjustment to or disclosure in the financial statements for the year ended 31st December 2023.

Going Concern Basis

The directors have prepared the financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. In determining this assumption, the directors have considered the Company's current financial position, performance, and cash flow forecasts.

Assessment Process

The directors have undertaken a review of the Company's financial projections and cash flow forecasts for the next 12 months from the date of approval of these financial statements. This review included:

1. **Review of Financial Projections:** Projections were based on reasonable and supportable assumptions regarding the overhead cost of the business and known income.
2. **Capital Deployed:** The business intends to continue to deploy Capital projects. The amount of cash this will require is uncertain as it depends on the number and size of projects won. These projects will only be deployed if the business has sufficient cash reserves to service them.
3. **Funding and Liquidity:** The Company's existing financing arrangements, including available credit facilities, were evaluated to ensure sufficient liquidity under different scenarios.
4. **Operational Factors:** Consideration of any operational risks that could impact the Company's ability to meet its obligations as they fall due.

SNRG LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Going Concern Basis (continued)

Conclusion

Based on the detailed assessment detailed above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

However, the directors acknowledge that the assessment of the Company's ability to continue as a going concern involves a level of uncertainty. The actual outcome of future events may differ from the assumptions used in the projections and forecasts.

Disclosure of information to auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Grant Thornton UK 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.



S Hussain
Director

Date: 1/8/2024



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNRG LIMITED

Opinion

We have audited the financial statements of SNRG Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Company's affairs as at 31 December 2023 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as current inflationary environment and cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNRG LIMITED (CONTINUED)

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Directors Report and Financial Statements, other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Directors Report and Financial Statements. 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 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNRG LIMITED (CONTINUED)

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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; 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 Strategic Report.

Responsibilities of directors

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

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



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNRG 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 Auditors' 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. 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 applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: United Kingdom Accounting Standards, Companies Act 2006 and the relevant tax compliance regulations in the UK;
- We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making inquiries of management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes;
- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated this through our review of professional fees incurred during the year;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit engagement team included:
 - identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - challenging assumptions and judgements made by management in making its significant accounting estimates;
 - identifying and testing journal entries, in particular any unusual journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
 - assessing the extent of compliance with certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- It is the engagement leader's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations;



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SNRG LIMITED (CONTINUED)

- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
- We completed audit procedures to conclude on the compliance of disclosures in the Directors' Report and financial statements with applicable financial reporting requirements.

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 Auditors' 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 Auditors' 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.

Grant Thornton UK LLP

Robert Harris
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
Date: 2/8/2024

SNRG LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | 2023 | 2022 |
|--|--------------------|-------------|
| | £ | £ |
| Turnover | 41,416 | 52,184 |
| Cost of sales | (47,779) | (58,447) |
| Gross loss | (6,363) | (6,263) |
| Administrative expenses | (6,055,537) | (2,849,378) |
| Other operating income | 71,220 | - |
| Operating loss | (5,990,680) | (2,855,641) |
| Interest receivable and similar income | 255,313 | - |
| Interest payable and similar expenses | - | (38,805) |
| Loss before tax | (5,735,367) | (2,894,446) |
| Loss for the financial year | (5,735,367) | (2,894,446) |

There were no recognised gains and losses for 2023 or 2022 other than those included in the Statement of Comprehensive Income.

The notes on pages 13 to 22 form part of these financial statements.

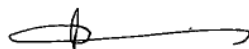
SNRG LIMITED
REGISTERED NUMBER:11632286

BALANCE SHEET
AS AT 31 DECEMBER 2023

| | Note | 2023 £ | 2022 £ |
|--|------|---------------------|--------------------|
| Fixed assets | | | |
| Intangible assets | 5 | 187,839 | - |
| Tangible assets | 6 | 1,627,944 | 30,210 |
| | | <u>1,815,783</u> | <u>30,210</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 7 | 552,554 | 126,675 |
| Cash at bank and in hand | 8 | 25,987,707 | 7,834,831 |
| | | <u>26,540,261</u> | <u>7,961,506</u> |
| Creditors: amounts falling due within one year | 9 | (36,547,425) | (10,447,730) |
| Net current liabilities | | <u>(10,007,164)</u> | <u>(2,486,224)</u> |
| Total assets less current liabilities | | <u>(8,191,381)</u> | <u>(2,456,014)</u> |
| Net liabilities | | <u>(8,191,381)</u> | <u>(2,456,014)</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 300 | 300 |
| Share premium account | 11 | 2,636,266 | 2,636,266 |
| Profit and loss account | 11 | (10,827,947) | (5,092,580) |
| | | <u>(8,191,381)</u> | <u>(2,456,014)</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 on 1/8/2024



S Hussain
Director

The notes on pages 13 to 22 form part of these financial statements.

SNRG LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|--------------------|
| | £ | £ | £ | £ |
| At 1 January 2023 | 300 | 2,636,266 | (5,092,580) | (2,456,014) |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (5,735,367) | (5,735,367) |
| At 31 December 2023 | 300 | 2,636,266 | (10,827,947) | (8,191,381) |

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

| | Called up share capital | Share premium account | Profit and loss account | Total equity |
|--|----------------------------|-----------------------------|----------------------------|--------------------|
| | £ | £ | £ | £ |
| At 1 January 2022 | 100 | - | (2,198,134) | (2,198,034) |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (2,894,446) | (2,894,446) |
| Shares issued during the year | 200 | 2,636,266 | - | 2,636,466 |
| At 31 December 2022 | 300 | 2,636,266 | (5,092,580) | (2,456,014) |

The notes on pages 13 to 22 form part of these financial statements.

SNRG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

SNRG Limited is a private company limited by shares and incorporated in England. Registered number 11632286. Its registered head office is located at Orchard Hill, The Common, Potten End, Berkhamsted, Hertfordshire, United Kingdom, HP4 2QF.

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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The Company's presentational and functional currency is Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

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

The following principal accounting policies have been applied:

2.2 Going Concern Basis

The directors have prepared the financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. In determining this assumption, the directors have considered the Company's current financial position, performance, and cash flow forecasts.

Assessment Process

The directors have undertaken a review of the Company's financial projections and cash flow forecasts for the next 12 months from the date of approval of these financial statements. This review included:

1. **Review of Financial Projections:** Projections were based on reasonable and supportable assumptions regarding the overhead cost of the business and known income.
2. **Capital Deployed:** The business intends to continue to deploy Capital projects. The amount of cash this will require is uncertain as it depends on the number and size of projects won. These projects will only be deployed if the business has sufficient cash reserves to service them.
3. **Funding and Liquidity:** The Company's existing financing arrangements, including available credit facilities, were evaluated to ensure sufficient liquidity under different scenarios.
4. **Operational Factors:** Consideration of any operational risks that could impact the Company's ability to meet its obligations as they fall due.

SNRG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.2 Going Concern Basis (continued)

Conclusion

Based on the detailed assessment detailed above, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

However, the directors acknowledge that the assessment of the Company's ability to continue as a going concern involves a level of uncertainty. The actual outcome of future events may differ from the assumptions used in the projections and forecasts.

2.3 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. Grant revenue is recognised when the performance-related conditions are met. The following criteria must also be met before revenue is recognised:

Revenue generated from consultancy contracts

The Company generates revenue from the provision of consultancy services with clients, the revenue is recognised when the service has been performed and the client has received a benefit from it.

Revenue generated from contracts with offtakers

The Company generates revenue from the sale of electricity under a Power Purchase Agreement (PPA) with an offtaker. The revenue is recognised at the point in time that electricity is exported, and can be measured reliably

2.4 Interest income

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

2.5 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.

SNRG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.6 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 *Other Creditors* as a liability in the *Balance Sheet*. The assets of the plan are held separately from the Company in independently administered funds.

2.7 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.

The estimated useful lives range as follows:

| | | |
|----------|---|----------|
| Software | - | 10 years |
|----------|---|----------|

2.8 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.

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 Improvements | - Over the lease term |
| Plant and machinery | - 3 years |
| Assets in operation | - 10-25 years |
| Office equipment | - 3 years |
| Computer equipment | - 3 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 profit or loss.

SNRG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.9 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.

2.10 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.

2.11 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.

2.12 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due within the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

SNRG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)**2.12 Financial instruments (continued)**

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

3. Employees

The average monthly number of employees, including directors, during the year was 30 (2022: 15).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Directors' remuneration

| | 2023 | <i>2022</i> |
|---|----------------|----------------|
| | £ | £ |
| Directors' emoluments | 200,620 | <i>158,516</i> |
| Company contributions to defined contribution pension schemes | 1,321 | - |
| | 201,941 | <i>158,516</i> |

During the year retirement benefits were accruing to 1 director (*2022: 1*) in respect of defined contribution pension schemes.

5. Intangible assets

| | Software |
|----------------------------|-----------------|
| | £ |
| Cost | |
| Additions | 187,839 |
| At 31 December 2023 | 187,839 |
| Net book value | |
| At 31 December 2023 | 187,839 |
| <i>At 31 December 2022</i> | - |

Amortisation on intangible assets is charged to administration expenses.

SNRG LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

6. Tangible fixed assets

| | Leasehold improvements £ | Plant and machinery £ | Office equipment £ | Computer equipment £ | Assets in operation £ | Assets under construction £ | Total £ |
|-------------------------------------|--------------------------------|-----------------------------|--------------------------|----------------------------|-----------------------------|--------------------------------------|------------|
| Cost or valuation | | | | | | | |
| At 1 January 2023 | - | 3,020 | 1,504 | 30,161 | - | - | 34,685 |
| Additions | 27,983 | 10,678 | 11,987 | 18,463 | 412,326 | 1,134,629 | 1,616,066 |
| At 31 December 2023 | 27,983 | 13,698 | 13,491 | 48,624 | 412,326 | 1,134,629 | 1,650,751 |
| Depreciation | | | | | | | |
| At 1 January 2023 | - | 336 | 42 | 4,097 | - | - | 4,475 |
| Charge for the year on owned assets | 416 | 1,896 | 1,598 | 14,422 | - | - | 18,332 |
| At 31 December 2023 | 416 | 2,232 | 1,640 | 18,519 | - | - | 22,807 |
| Net book value | | | | | | | |
| At 31 December 2023 | 27,567 | 11,466 | 11,851 | 30,105 | 412,326 | 1,134,629 | 1,627,944 |
| At 31 December 2022 | - | 2,684 | 1,462 | 26,064 | - | - | 30,210 |

Assets under construction are not subject to depreciation until it's reclassified to an asset class on energisation.

SNRG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

7. Debtors

| | 2023 | 2022 |
|---------------|-----------------------|----------------|
| | £ | £ |
| Trade debtors | 109,864 | 11,682 |
| Other debtors | 442,690 | 114,993 |
| | <u>552,554</u> | <u>126,675</u> |

At the balance sheet date the Company had £4,261,134 (2022: £1,966,821) of unrelieved tax losses available to carry forward. No deferred tax asset has been recognised on these amounts in these financial statements as the Company is forecasting to make losses in the near future and the timing of future profits is uncertain.

Trade debtors are stated after provisions for impairment of £51,000 (2022: £Nil).

8. Cash and cash equivalents

| | 2023 | 2022 |
|--------------------------|--------------------------|------------------|
| | £ | £ |
| Cash at bank and in hand | 25,987,707 | 7,834,831 |
| | <u>25,987,707</u> | <u>7,834,831</u> |

9. Creditors: Amounts falling due within one year

| | 2023 | 2022 |
|------------------------------------|--------------------------|-------------------|
| | £ | £ |
| Trade creditors | 301,593 | 155,290 |
| Amounts owed to group undertakings | 35,628,770 | 9,794,614 |
| Other taxation and social security | 153,706 | 226,420 |
| Other creditors | 463,356 | 271,406 |
| | <u>36,547,425</u> | <u>10,447,730</u> |

The amounts owed to group undertakings are attributable to intra-group trading balances with other companies within the group and intra-group loans received from the immediate parent company SNRG Investments Limited with no interest payable, and is repayable on demand

SNRG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Share capital

| | 2023 | 2022 |
|---|-------------|-------------|
| | £ | £ |
| Allotted, called up and fully paid | | |
| 300 (2022: 300) ordinary shares of £1.00 each | 300 | 300 |

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

11. Reserves**Share premium account**

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current & prior periods retained profits & losses.

12. Pension commitments

The Company operated a defined contributions pension scheme. The pension cost charge amounted to £69,131 (2022: £27,112). Contributions totalling £8,214 (2022: £Nil) were payable at the balance sheet date and are included in the creditors.

13. Related party transactions

The Company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with entities where 100% of the voting rights are controlled within the group.

| | | |
|---------------------------------|---|---|
| Centrica Innovations UK Limited | - | Conversion of loan and accrued interest to equity £Nil (2022: £2,597,671) |
| Centrica Innovations UK Limited | - | Exchange of SNRG Limited shares with SNRG Investment Limited shares £Nil (2022: £2,597,671) |

A convertible loan was received from an investor in 2021 and simple interest accrued at 5%. On 28 April 2022, the loan and the interest were converted per the loan agreement terms for 66.6% of the issued share capital. Immediately following this conversion, the new shares issued in the Company were exchanged for shares in the immediate parent company, SNRG Investments Limited, as part of a restructuring and capital subscription completed on that date. 2022 amount entirely attributable to the intra-group loan received from the immediate parent company SNRG Investments Limited with no interest payable, and is repayable on demand.

During the year a close family member of a director received remuneration for services performed totalling £171,826 (2022: £102,827) and there is a balance owed to the Company at the year end of £16,057 (2022: Nil).

SNRG LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Post balance sheet events

There have been no significant events affecting the Company since the balance sheet date that would require adjustment to or disclosure in the financial statements for the year ended 31st December 2023.

15. Controlling party

SNRG Limited is under the immediate control of SNRG Investments Limited, a company incorporated in England and Wales. Until 28 April 2022, SNRG Limited was under the ultimate control of the director, S Hussain, by his 100% interest in the parent company's capital. Following the restructure and capital subscription in the immediate parent as of 28 April 2022, the Company was under the control of Antin Infrastructure Services Luxembourg II S.A.R.L., and the ultimate controlling party is a group of funds managed by Antin Infrastructure Partners.