

Registered Number:12074634

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

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ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	S C Bannerman (resigned 22 November 2021) C C Fisher C D Marsh (appointed 23 November 2021) A Pike S S Toor C Allen (appointed 8 June 2022)
Company secretary	C Allen
Registered number	12074634
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 INTERNATIONAL HOLDINGS LIMITED

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ENVIROMENA INTERNATIONAL HOLDINGS 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 International Holdings Limited ("the Company") was incorporated in the United Kingdom on 28 June 2019. The Company serves as the senior holding company for the Enviromena International Holdings Limited Group ("the Group").

During the period there were restructuring events for both the Company and the Group:

- On 1 January 2021, the Group, via its subsidiary Enviromena Europe Holdings Limited (company number 12077188), acquired Enviromena Asset Management UK Limited (company number 11225654) from M E Developments Limited (incorporated in Jersey with company number 125171).
- On 21 September 2021, the Company was sold by its previous owner, M E Developments Limited to its immediate parent entity, AIP Infrastructure LP (incorporated in Scotland with company number SL029869). The ultimate ownership of the Company and the Group remain unchanged.

The purpose of both of these events was to structure the Group efficiently, and, to provide a suitable platform to launch our renewable strategy in the UK and Europe.

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, cash flow statement 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
C D Marsh (appointed 23 November 2021)
A Pike
S S Toor

Business activities

The Group is committed to leading the transition to a world powered by clean energy by providing safe, affordable, and reliable clean energy solutions to customers across the UK and Europe. We are a fully-integrated development and operations platform which is involved in the full lifecycle of our projects – from origination and development, through construction (EPC), to long-term financial management, operations and maintenance (O&M). In everything we do, we strive to create a lasting platform for our customers, counter parties, partners, and stakeholders.

We are committed to improve the communities and places within which we operate by constantly evaluating the long-term impacts of our business activities. We absolutely prioritise safe working conditions, care for the environment, respect for our employees and the communities we interact with and building lasting and trusted relationships with our business partners.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

Business review

Over the reporting period we have made significant investment in our development pipeline which is reflected in our financial performance. The result of this investment is a pipeline of solar PV and energy storage projects of over 1GW split between the UK and Italy.

In the UK, the Group successfully secured its first EPC and O&M contracts to build, operate and maintain a 24.2MW solar PV site at Three Maids Hill, Winchester. At the period end the build activity for this site was well underway with approximately 18% of the total EPC revenues recognised in the period. The forecast connection date for this site is Q4 2022.

Complementing our progress in the UK, we have also achieved planning permission on the first two sites from our 250MW development pipeline in Italy. The sites are both located in the Puglia region of the country with construction due to start in Q4 2022 ahead of energisation in Q2 2023.

Results and dividends for the period

Summary results for the 15-month period ended 31 March 2022 (and comparative results for the year ended 31 December 2020) are shown below:

	15-month period ended 31 March 2022 £000	Year ended 31 December 2020 £000
Revenue	3,321	-
Gross profit/(loss)	654	(190)
EBITDA	(9,532)	(614)
Loss for the period/year	(9,853)	(614)
Adjusted EBITDA*	(2,511)	(614)

*Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation and one-off accounting adjustments relating to legacy development costs and bad debt write offs. The Group's previous accounting policy was to treat development costs as work-in-progress, however the policy was changed during the reporting period to expense as incurred.

No ordinary dividends were paid during the period and the directors do not recommend payment of a further dividend.

Going concern

At the period end, the Group had net liabilities of £2,178,643 (2020: £613,944) and net current liabilities of £424,818 (2020: £1,316,985). Included within creditors are loan balances due to companies under the control of the immediate parent, AIP Infrastructure LP. These balances will not be repaid to the detriment of other creditors and the immediate parent will continue to provide support to the Group.

The directors, having made due and careful enquiry, are of the opinion that the Company and Group have 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 Company and Group have 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. This assessment is based on the understanding that with the funding in place, the Company and Group will continue to meet their obligations as they fall and 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 INTERNATIONAL HOLDINGS LIMITED

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

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.

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.



C D Marsh
Director

Date: 02/11/2022

ENVIROMENA INTERNATIONAL HOLDINGS 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 period. 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;
- 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 INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Enviromena International Holdings 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 INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIROMENA INTERNATIONAL HOLDINGS 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 4, 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 INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIROMENA INTERNATIONAL HOLDINGS 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

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 INTERNATIONAL HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENVIROMENA INTERNATIONAL HOLDINGS 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.

Anderson Anderson & Brown Audit LLP

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: 3 November 2022

ENVIROMENA INTERNATIONAL HOLDINGS 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	3,321,175	-
Cost of sales	(2,667,542)	(190,302)
Gross profit/(loss)	653,633	(190,302)
Administrative expenses	(6,580,471)	(423,643)
Exceptional administrative expenses	7 (3,879,981)	-
Operating loss	(9,806,819)	(613,945)
Interest payable and similar expenses	6 (46,120)	-
Loss before taxation	(9,852,939)	(613,945)
Loss for the financial period	(9,852,939)	(613,945)

There was no other comprehensive income for 2022 (2020:£NIL).

The notes on pages 14 to 27 form part of these financial statements.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

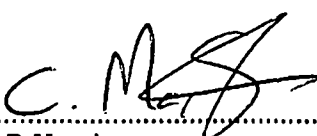
REGISTERED NUMBER:12074634

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

	Note	31 March 2022 £	31 December 2020 £
Fixed assets			
Intangible assets	8	1,451,294	697,661
Tangible assets	9	80,719	5,380
		<u>1,532,013</u>	<u>703,041</u>
Current assets			
Stocks	11	1,985,744	65,800
Debtors: amounts falling due within one year	12	2,460,460	-71,563
Cash at bank and in hand	13	2,007,214	-
		<u>6,453,418</u>	<u>137,363</u>
Creditors: amounts falling due within one year	14	(6,878,236)	(1,454,348)
		<u>(424,818)</u>	<u>(1,316,985)</u>
Net current liabilities			
		<u>1,107,195</u>	<u>(613,944)</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	15	(3,285,838)	-
		<u>(2,178,643)</u>	<u>(613,944)</u>
Net liabilities			
Capital and reserves			
Called up share capital	18	830,001	1
Share premium account	18	7,458,240	-
Profit and loss account		(10,466,884)	(613,945)
		<u>(2,178,643)</u>	<u>(613,944)</u>

The Group'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 14 to 27 form part of these financial statements.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED


REGISTERED NUMBER:12074634

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	31 March 2022 £	31 December 2020 £
Fixed assets			
Intangible assets	8	588,651	-
Investments	10	3	3
		<u>588,654</u>	<u>3</u>
Current assets			
Debtors: amounts falling due within one year	12	7,538,850	201
Cash at bank and in hand	13	4,789	-
		<u>7,543,639</u>	<u>201</u>
Creditors: amounts falling due within one year	14	(45,311)	(2,403)
Net current assets/(liabilities)		<u>7,498,328</u>	<u>(2,202)</u>
Total assets less current liabilities		<u>8,086,982</u>	<u>(2,199)</u>
Net assets/(liabilities)		<u><u>8,086,982</u></u>	<u><u>(2,199)</u></u>
Capital and reserves			
Called up share capital	18	830,001	1
Share premium account	18	7,458,240	-
Profit and loss account brought forward		(2,200)	-
Loss for the period		(199,059)	(2,200)
Profit and loss account carried forward		<u>(201,259)</u>	<u>(2,200)</u>
		<u><u>8,086,982</u></u>	<u><u>(2,199)</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 14 to 27 form part of these financial statements.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	1	-	-	1
Loss for the year	-	-	(613,945)	(613,945)
At 1 January 2021	1	-	(613,945)	(613,944)
Loss for the period	-	-	(9,852,939)	(9,852,939)
Shares issued during the period	830,000	7,458,240	-	8,288,240
At 31 March 2022	830,001	7,458,240	(10,466,884)	(2,178,643)

The notes on pages 14 to 27 form part of these financial statements.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1	-	-	1
Loss for the year	-	-	(2,200)	(2,200)
At 1 January 2021	1	-	(2,200)	(2,199)
Loss for the period	-	-	(199,059)	(199,059)
Shares issued during the period	830,000	7,458,240	-	8,288,240
At 31 March 2022	830,001	7,458,240	(201,259)	8,086,982

The notes on pages 14 to 27 form part of these financial statements.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

1. General information

Enviromena International Holdings Limited is a private company limited by shares in the UK, registered in England and Wales. The registered office is Unit 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, RG7 1JQ.

The principal activity of the Company is to act as a holding company for the wider Group. The Group's principal activity is the development, construction, operation and management of solar PV and energy storage sites in the UK and Europe.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

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 29 June 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.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

At the period end, the Group had net liabilities of £2,178,643 (2020: £613,944) and net current liabilities of £424,818 (2020: £1,316,985). Included within creditors are loan balances due to companies under the control of the immediate parent, AIP Infrastructure LP. These balances will not be repaid to the detriment of other creditors and the immediate parent will continue to provide support to the Group.

The directors, having made due and careful enquiry, are of the opinion that the Company and Group have 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 Company and Group have 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. This assessment is based on the understanding that with the funding in place, the Company and Group will continue to meet their obligations as they fall and 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.

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.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

2. Accounting policies (continued)

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.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 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.

2.8 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 Borrowing costs

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

2.10 Pensions

Defined contribution pension plan

The Group contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

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

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

2.13 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:

Long-term leasehold property	- remaining duration of the lease
Fixtures and fittings	- 5 years
Office equipment	- 5 years
Computer equipment	- 4 years
Other fixed assets	- 2-5 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.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

2. Accounting policies (continued)

2.15 Stocks

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

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

2.16 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.

2.17 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.

2.18 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.

2.19 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. Auditor's remuneration

	15 months ended 31 March 2022 £	Year ended 31 December 2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	30,400	4,500

The increase in the Group audit fee is reflected by the restructuring activities that occurred during the period.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

4. Employees

The average monthly number of employees, excluding the directors, during the period was as follows:

	15 months ended 31 March 2022 No.	Year ended 31 December 2020 No.
Average number of employees	6	-

The Company has no employees other than the directors, who did not receive any remuneration (2020 - £NIL).

5. Directors' remuneration

	15 months ended 31 March 2022 £	Year ended 31 December 2020 £
Directors' emoluments	35,667	-
Group contributions to defined contribution pension schemes	1,070	-
	<u>36,737</u>	<u>-</u>

The total number of directors who received remuneration was 1 (2020 - 0).

6. Interest payable and similar expenses

	15 months ended 31 March 2022 £	Year ended 31 December 2020 £
Other loan interest payable	46,120	-
	<u>46,120</u>	<u>-</u>

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

7. Exceptional items

	15 months ended 31 March 2022 £	Year ended 31 December 2020 £
Exceptional costs relating to bad debts	3,879,981	-
	<u>3,879,981</u>	<u>-</u>

Exceptional costs relate to the write off of an intercompany balance which is no longer receivable.

8. Intangible assets

Group

	Software £	Goodwill £	Total £
Cost			
At 1 January 2021	697,661	-	697,661
Additions	15,266	914,337	929,603
Disposals	(17,058)	-	(17,058)
On acquisition of subsidiaries	78,500	-	78,500
At 31 March 2022	<u>774,369</u>	<u>914,337</u>	<u>1,688,706</u>
Amortisation			
Charge for the period on owned assets	135,344	114,292	249,636
On disposals	(12,224)	-	(12,224)
At 31 March 2022	<u>123,120</u>	<u>114,292</u>	<u>237,412</u>
Net book value			
At 31 March 2022	<u>651,249</u>	<u>800,045</u>	<u>1,451,294</u>
At 31 December 2020	<u>697,661</u>	<u>-</u>	<u>697,661</u>

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

8. Intangible assets (continued)

Company

	Software £
Cost	
Additions	610,453
At 31 March 2022	<u>610,453</u>
Amortisation	
Charge for the year	21,802
At 31 March 2022	<u>21,802</u>
Net book value	
At 31 March 2022	<u><u>588,651</u></u>
At 31 December 2020	<u><u>-</u></u>

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

9. Tangible fixed assets

Group

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation						
At 1 January 2021	-	5,380	-	-	-	5,380
Additions	22,223	2,912	450	28,945	7,133	61,663
Acquisition of subsidiary	3,924	6,030	14,036	12,691	2,632	39,313
Transfers between classes	-	-	(3,534)	3,534	-	-
Exchange adjustments	-	(362)	-	-	-	(362)
At 31 March 2022	<u>26,147</u>	<u>13,960</u>	<u>10,952</u>	<u>45,170</u>	<u>9,765</u>	<u>105,994</u>
Depreciation						
Charge for the period on owned assets	530	3,871	7,798	9,127	3,949	25,275
At 31 March 2022	<u>530</u>	<u>3,871</u>	<u>7,798</u>	<u>9,127</u>	<u>3,949</u>	<u>25,275</u>
Net book value						
At 31 March 2022	<u>25,617</u>	<u>10,089</u>	<u>3,154</u>	<u>36,043</u>	<u>5,816</u>	<u>80,719</u>
At 31 December 2020	<u>-</u>	<u>5,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,380</u>

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

10. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	3
At 31 March 2022	<u>3</u>
Net book value	
At 31 March 2022	<u>3</u>
At 31 December 2020	<u>3</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Enviromena Europe Holdings Limited*	England	Ordinary	100%
Enviromena Technology Holdings Limited* ***	England	Ordinary	100%
Enviromena Middle East Holdings Limited*	England	Ordinary	100%
Enviromena Project Management UK Limited**	England	Ordinary	100%
Enviromena Asset Management UK Limited**	England	Ordinary	100%
Enviromena Asset Management Italia S.r.l.**	Italy	Ordinary	100%
Enviromena Solar Asset Saudi Energy LLC**	Saudi Arabia	Ordinary	100%
Enviromena Project Management Italia 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.

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

The subsidiary that is incorporated in Saudi Arabia has its registered office at Industrial Valley 3, King Abdullah Economic City, Rabigh, Kingdom of Saudi Arabia.

*A directly held subsidiary

**An indirectly held subsidiary

***For the year ended 31 March 2022, Enviromena Technology Holdings Limited is entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

11. Stocks

	Group 31 March 2022 £	Group 31 December 2020 £
Work in progress	1,985,744	65,800
	<u>1,985,744</u>	<u>65,800</u>

12. Debtors

	Group 31 March 2022 £	Group 31 December 2020 £	Company 31 March 2022 £	Company 31 December 2020 £
Trade debtors	27,945	25,836	-	-
Amounts owed by group undertakings	1,140,011	1	7,404,730	1
Other debtors	253,649	9,726	134,120	200
Prepayments and accrued income	1,038,855	36,000	-	-
	<u>2,460,460</u>	<u>71,563</u>	<u>7,538,850</u>	<u>201</u>

The amounts owed by group undertakings are repayable on demand and non-interest bearing.

13. 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	2,007,214	-	4,789	-
Less: bank overdrafts	(5)	-	-	-
	<u>2,007,209</u>	<u>-</u>	<u>4,789</u>	<u>-</u>

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

14. Creditors: Amounts falling due within one year

	Group 31 March 2022 £	Group 31 December 2020 £	Company 31 March 2022 £	Company 31 December 2020 £
Bank overdrafts	5	-	-	-
Other loans	1,542,164	-	-	-
Trade creditors	1,403,634	14,483	41,309	2,400
Amounts owed to group undertakings	114,142	1,435,362	2	3
Other taxation and social security	460,819	-	-	-
Other creditors	18,059	3,179	-	-
Accruals and deferred income	3,339,413	1,324	4,000	-
	<u>6,878,236</u>	<u>1,454,348</u>	<u>45,311</u>	<u>2,403</u>

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

	Group 31 March 2022 £	Group 31 December 2020 £
Amounts owed to group undertakings	3,285,838	-
	<u>3,285,838</u>	<u>-</u>

The amounts owed to group undertakings are repayable on demand and non-interest bearing. The debt holders have confirmed they will not look to recall the balance within 12 months of the reporting date.

16. Security

HSBC Bank UK plc hold a fixed and floating charge over the assets of a subsidiary of the Group.

17. 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	2,007,214	-	4,789	-
	<u>2,007,214</u>	<u>-</u>	<u>4,789</u>	<u>-</u>

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

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

18. Share capital and premium

	31 March 2022 £	31 December 2020 £
Share capital		
Allotted, called up and fully paid		
83,000,100 (2020 - 100) Ordinary shares of £0.01 each	830,001	1
Share premium	7,458,240	-
	<u>8,288,241</u>	<u>1</u>

During the period 83,000,100 shares were issued at a nominal value of £0.01.

The consideration received in exchange for these shares totaled £8,288,239.96 with the excess being recognised as share premium.

19. Pension commitments

The Group contributes to a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £34,311 (2020 - £NIL). Contributions totalling £7,585 (2020 - £NIL) were payable to the fund at the balance sheet date and are included in creditors. The increase from prior year is reflected by the restructuring activities that occurred during the period.

20. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 31 March 2022 £	Group 31 December 2020 £
Not later than 1 year	61,700	-
Later than 1 year and not later than 5 years	104,535	-
	<u>166,235</u>	<u>-</u>

The increase from prior year is reflected by the restructuring activities that occurred during the period.

21. Related party transactions

The company has taken advantage of the exemption given under Financial Reporting Standard 102 section 1AC.35 which allows exemption from disclosure of related party transactions with other group companies.

ENVIROMENA INTERNATIONAL HOLDINGS LIMITED

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

22. Controlling party

During the period, the share capital ownership was transferred from M E Developments Limited to AIP Infrastructure LP, a limited partnership registered in Scotland.

The company is under the ultimate control of AIP Infrastructure LP.