

Registered number: 04489271

HIGHVIEW ENTERPRISES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 DECEMBER 2023



HIGHVIEW ENTERPRISES LIMITED

COMPANY INFORMATION

Directors

Niko Elmaleh
Nick Woollacott
Colin Roy
Shaun Dean
Tomas Harju-Jeanty
Dr. Gerhard Cromme
Rikin Shah
Richard Butland
Laura Sandys
Colin Hudson
Kasper Trebbien
Sebastian Gschwender

Company Secretary

Sarah French

Registered Number

04489271

Registered Office

Pennine Place
2a Charing Cross Road
London
WC2H 0HF

Trading Address

Pennine Place
2a Charing Cross Road
London
WC2H 0HF

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

HIGHVIEW ENTERPRISES LIMITED

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HIGHVIEW ENTERPRISES LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

The Board of Directors have pleasure in presenting their strategic report for the year ended 31 December 2023. This report provides a view of the company's performance, strategy and outlook.

Strategy and Business Review:

Highview's mission is to be a world leader in Long Duration Storage Technology & Grid Stability Solutions enabling our partners and customers to fully harness renewable energy to achieve the global ambition of net zero. Our unique technology platform delivers sustainable, low risk, long duration energy storage and grid stability solutions with no geographical restrictions.

Beyond contributing to the UK's energy security by reducing the intermittency of renewables, Highview Power's infrastructure programme will make a major contribution to the UK economy, with the potential to support thousands of jobs and generate billions of pounds in value add to the economy. It will also contribute materially to increasing utilisation of green energy generation, reducing energy bills for consumers and providing significantly improved energy stability and security.

During 2023, the Group focused on raising funding and preparing for the construction of the UK's first long duration energy storage plant. Key contractors were identified, the management team put in place, planning permission obtained and engineering and design work progressed. The £300 million funding round was concluded in June 2024 bringing in investors led by the UK Infrastructure Bank (UKIB) and the British multinational energy and services company Centrica, alongside a syndicate of international investors including Rio Tinto, Goldman Sachs, KIRKBI and Mosaic Capital.

The investment will enable the construction of one of the world's largest long duration energy storage (LDES) facilities in Carrington, Manchester, using Highview Power's proprietary LAES technology. Once complete, it will have a storage capacity of 300 MWh and an output power of 50 MW for six hours. Construction has begun on the site, with the facility operational in early 2026, supporting over 700 jobs in construction and the supply chain.

Highview Power will now also commence planning on the next four larger scale 2.5 GWh facilities (with a total anticipated investment of £3 billion). Located at strategic sites across the UK, these will ensure a fast roll-out of the technology to align with UK LDES support mechanisms and enable the ESO's Future Energy Scenario Plans.

Management of Principal Risks and Uncertainties:

The Carrington project is the first commercial-scale liquid air energy storage plant to be built in the UK. As the first of a kind, there is a risk that construction may cost more or take longer than planned. The capital raised allows for a 3 month over run of the project and ensures that the existing funding will cover the costs with 90% probability. Over 90% foreign currency expenditure for the length of the construction period has been hedged at the outset and the interest rate for debt is fixed. Nonetheless, there may be project construction risks that have not been fully anticipated or currently known.

The highest level of safety during construction and operations is considered critical. In preparation for construction activities, during 2023, we developed and refined our project risk processes and project risk register. We created the documentation required for submission of the preconstruction safety report under the COMAH regulations. The documentation was submitted and construction permission granted in July 2023. We have also prepared an initial site pre-construction safety file for contractors which identifies hazards. Health and safety in the office is managed via compulsory training, weekly inspections and annual risk assessment reviews.

Once operational the Carrington project will derive its revenues from a mix of sources that include the Capacity Market, energy storage arbitrage via the wholesale market and balancing market, and ancillary services to the Energy System Operator. The investment decision was based upon forecast revenue streams made by both the management team and by independent market experts. As the revenues streams are not fixed by long-term price agreements or otherwise, there remains a risk that revenues streams may be lower than forecast.

The capital raise for the Carrington project took longer than we had anticipated, absorbing cash that might otherwise have been reserved for future projects. There is a risk that the capital raise for future projects may also take longer than expected. We continue to monitor cash closely with short term and longer term forecasts to create an appropriate runway for the completion of additional fundraising. The conclusion of the Carrington capital raise in June 2024 with a group of investors with scale, knowledge, and experience, should help us to accelerate subsequent funding rounds but in the event that funding is delayed, expenditure that is not essential to the Carrington project will be cut.

HIGHVIEW ENTERPRISES LIMITED

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

Over the next few years, the rapid growth of the business will present inherent risks so moving forward into 2024 we will be developing a corporate risk register which will hold the high level corporate risks, supported by the more detailed specific project risk register.

Outlook and Market Developments:

Net Zero in the power sector can not be achieved without low carbon flexible generation to provide power when the sun is not shining and the wind not blowing. The Energy System Operator has forecast in their latest July 2024 Future Energy Scenario pathways that between 11GW to 15GW of Long Duration Energy Storage will be needed by 2050.

The UK Government recognises the importance of low carbon flexible sources of generation and has already held a consultation on a cap and floor revenue stabilisation mechanism for LDES. A cap and floor mechanism will stabilise revenues and make successful LDES projects attractive to a broad range of investors and providers of finance. A decision on a cap and floor mechanism is expected imminently.

The new UK Government is expected to make announcements, like the recent announcement for the CfD Auction Round 6 with its increased budget, that will accelerate the growth of renewables by 2030 and further drive the need for LDES. Highview's liquid air energy storage technology is one of the only LDES technologies that is capable of being delivered at scale by 2030.

Highview is actively developing its portfolio of larger LDES projects is therefore well placed to take advantage of the cap and floor mechanism and current drive to make a material difference by 2030.

Outside of the UK, other countries are also recognising the need for LDES. Highview is actively developing projects in Australia and is already in advanced discussions for a project in the Northern Territory.

This report was approved by the board on 5/9/2024 and signed on its behalf.

Richard Butland

Richard Butland
Director

HIGHVIEW ENTERPRISES 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 the Company during the year was the development of energy storage systems using liquefied air.

Results and dividends

The Company loss for the year, after taxation, amounted to £18,037,737 (2022: loss £23,274,909). The Group loss for the year, after taxation, amounted to £22,825,219 (2022: loss £22,030,769).

The Directors did not recommend the payment of dividend in the year (2022: £Nil).

Directors

The Directors who served during the year were:

Javier Cavada
Niko Elmaleh
Nick Woollacott
Colin Roy
Shaun Dean
Tomas Harju-Jeanty
Dr. Gerhard Cromme
Rikin Shah
Richard Butland
Rupert Pearce (resigned 31 March 2023)
Laura Sandys

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

HIGHVIEW ENTERPRISES LIMITED

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

Post balance sheet events

The following post balance sheet events took place:

- In January 2024, there was an additional drawdown of £1m from the existing shareholders loan facility.
- In April 2024, assets under construction were purchased by Cryobattery One Limited for consideration equal to the carrying value.
- In April 2024, the investment held in Cryobattery One Limited was transferred to Cryobattery One Investment Holding Limited, a wholly owned subsidiary of Highview Enterprises Limited.
- In June 2024, the fundraising for the Carrington project was finalised, securing £138.5m of additional funding in the form of convertible loan notes at Highview Enterprises Limited and a £155m debt facility for Cryobattery One Limited.

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.
- as permitted by the Companies Act 2006, indemnity insurance for Directors was in place throughout the year and up to the date of approval of the financial statements. Additional warranties and indemnity insurance was put in place specifically to cover statements given as part of the due diligence process for the Carrington fund raise.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5/9/2024 signed on its behalf.

Richard Butland

Richard Butland
Director

HIGHVIEW ENTERPRISES LIMITED

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Opinion

We have audited the financial statements of Highview Enterprises Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2023, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the company statement of comprehensive income, the company statement of financial position, the company 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 group's and the parent company's affairs as at 31 December 2023 and of the group's and the parent company's 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 group and the parent 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 group's and the parent 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 group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's *business model including effects arising from macro-economic uncertainties such as increasing interest rates, inflation and high energy prices*, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 and 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.

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.

HIGHVIEW ENTERPRISES LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us.
- The parent company financial statements are not in agreement with the accounting records and returns.
- Certain disclosures of directors' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.
- The directors were not entitled to prepare the financial statements in accordance with the small companies regime.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- 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.

HIGHVIEW ENTERPRISES LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

- The group is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, tax legislation, anti-bribery legislation and employment law.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. This included the evaluation of the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Evaluation of the programmes and controls established to address the risks related to irregularities and fraud.
 - Assessing any significant judgements or estimates within revenues or other areas of the financial statements.
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions.
 - Identifying and testing related party transactions.
- 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;
- The engagement partner has assessed the appropriateness of collective competence and capabilities of the engagement team including consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation.
 - Knowledge of the industry in which the Group operates.
 - Understanding of the legal and regulatory requirements specific to the Group.
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of accrued income from external customers.

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.

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.

Grant Thornton UK LLP

Anthony Thomas FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
5/9/2024

HIGHVIEW ENTERPRISES LIMITED

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

	Note	2023 £	2022 £ <i>(unaudited)</i>
Turnover		36,000	1,586,248
Cost of sales		<u>(2,244,000)</u>	<u>(1,547,206)</u>
Gross (loss) / profit		(2,208,000)	39,042
Administrative expenses		<u>(20,443,153)</u>	<u>(22,110,258)</u>
Operating loss		(22,651,153)	(22,071,216)
Interest receivable and similar income		107,915	131,572
Interest payable and similar expenses		<u>(750,304)</u>	<u>(90,952)</u>
Loss before tax		(23,293,542)	(21,970,019)
Tax on loss	6	<u>250,038</u>	<u>(17,832)</u>
Loss for the financial year		(23,043,504)	(22,048,428)
Exchange differences on translating foreign operations		<u>218,285</u>	<u>17,659</u>
Total comprehensive income for the year		<u>(22,825,219)</u>	<u>(22,030,769)</u>

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 14 to 25 form part of these financial statements.

HIGHVIEW ENTERPRISES LIMITED

REGISTERED NUMBER: 04489271
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £ <i>(unaudited)</i>
Fixed assets			
Intangible assets	7	2,135,057	2,117,936
Tangible assets	8	7,957,293	6,497,583
		<u>10,092,350</u>	<u>8,615,519</u>
Current assets			
Debtors: amounts falling due within one year	11	1,283,210	1,907,516
Cash at bank and in hand	12	1,374,093	9,587,282
		<u>2,657,303</u>	<u>11,494,798</u>
Creditors: amounts falling due within one year	13	(12,429,439)	(2,596,940)
Net current (liabilities) / assets		<u>(9,772,136)</u>	<u>8,897,858</u>
Total assets less current liabilities		<u>320,214</u>	<u>17,513,377</u>
Creditors: amounts falling due after more than one year	14	(1,347,372)	(1,199,173)
Net (liabilities)/assets		<u>(1,027,158)</u>	<u>16,314,204</u>
Capital and reserves			
Called up share capital		149,390	133,882
Share premium account		88,333,127	88,149,051
Share option reserve		13,075,258	7,790,985
Foreign exchange reserve		235,944	17,659
Profit and loss account		(102,820,877)	(79,777,373)
		<u>(1,027,158)</u>	<u>16,314,204</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in accordance with the provisions of FRS102 Section 1A – small entities. This report was approved by the board on 5/9/2024 and signed on its behalf.

Richard Butland

Richard Butland
Director

The notes on pages 14 to 25 form part of these financial statements.

HIGHVIEW ENTERPRISES LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2023**

	Called up share capital	Share premium account	Share option reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2023 (unaudited)	133,882	88,149,051	7,790,985	17,659	(79,777,373)	16,314,204
Comprehensive income for the year						
Loss for the year	-	-	-	-	(23,043,504)	(23,043,504)
Exchange differences on translating foreign operations	-	-	-	218,285	-	218,285
Total comprehensive income for the year	-	-	-	218,285	(23,043,504)	(22,825,219)
Contributions by and distributions to owners						
Share option charge	-	-	5,284,273	-	-	5,284,273
Share issued during the year	15,508	184,076	-	-	-	199,584
Total contributions by and distributions to owners	15,508	184,076	-	-	-	5,483,857
As at 31 December 2023	149,390	88,333,127	13,075,258	235,944	(102,200,877)	(1,027,158)

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022**

	Called up share capital	Share premium account	Share option reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2022 (unaudited)	133,882	88,149,051	1,646,946	-	(57,728,945)	32,200,934
Comprehensive income for the year						
Loss for the year (unaudited)	-	-	-	-	(22,048,428)	(22,048,428)
Exchange differences on translating foreign operations (unaudited)	-	-	-	17,659	-	17,659
Total comprehensive income for the year	-	-	-	17,659	(22,048,428)	(22,030,769)
Contributions by and distributions to owners						
Share option charge (unaudited)	-	-	6,144,039	-	-	6,144,039
Total contributions by and distributions to owners	-	-	6,144,039	-	-	6,144,039
As at 31 December 2022	133,882	88,149,051	7,790,985	17,659	(79,777,373)	16,314,204

The notes on pages 14 to 25 form part of these financial statements.

HIGHVIEW ENTERPRISES LIMITED

**COMPANY STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
Turnover		1,556,750	258,797
Cost of sales		(429,952)	(738,157)
Gross profit/(loss)		1,126,798	(479,360)
Administrative expenses		(18,985,183)	(22,836,286)
Operating loss		(17,858,385)	(23,315,646)
Interest receivable and similar income		298,993	131,572
Interest payable and similar expenses		(749,754)	(90,835)
Loss before tax		(18,309,146)	(23,274,909)
Taxation	6	271,415	-
Loss for the financial year		(18,037,731)	(23,274,909)
Total comprehensive income for the year		(18,037,731)	(23,274,909)

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 14 to 25 form part of these financial statements.

HIGHVIEW ENTERPRISES LIMITED

REGISTERED NUMBER: 04489271
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	7	2,135,057	2,117,936
Tangible assets	9	7,949,284	6,487,982
Investments	10	12,697	12,696
		<u>10,097,038</u>	<u>8,618,614</u>
Current assets			
Debtors: amounts falling due within one year	11	11,413,771	7,327,694
Cash at bank and in hand	12	1,289,704	9,529,797
		<u>12,703,475</u>	<u>16,857,491</u>
Creditors: amounts falling due within one year	13	(12,111,950)	(2,381,867)
Net current assets		<u>591,525</u>	<u>14,475,624</u>
Total assets less current liabilities		<u>10,688,563</u>	<u>23,094,238</u>
Creditors: amounts falling due after more than one year	14	(1,347,372)	(1,199,173)
Net assets		<u>9,341,191</u>	<u>21,895,065</u>
Capital and reserves			
Called up share capital		149,390	133,882
Share premium account		88,333,127	88,149,051
Share option reserve		13,075,258	7,790,985
Profit and loss account		(92,216,584)	(74,178,853)
		<u>9,341,191</u>	<u>21,895,065</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime in accordance with the provisions of FRS102 Section 1A – small entities. This report was approved by the board on 5/9/2024 and signed on its behalf.

Richard Butland

Richard Butland
Director

The notes on pages 14 to 25 form part of these financial statements.

HIGHVIEW ENTERPRISES LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2023**

	Called up share capital	Share premium account	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2023	133,882	88,149,051	7,790,895	(74,178,853)	21,895,065
Comprehensive income for the year	-	-	-	-	-
Loss for the year	-	-	-	(18,037,731)	(18,037,731)
Total comprehensive income for the year	-	-	-	(18,037,731)	(18,037,731)
Contributions by and distributions to owners					
Share option charge	-	-	5,284,273	-	5,284,273
Share issued during the year	15,508	184,076	-	-	199,584
Total contributions by and distributions to owners	15,508	184,076	5,284,273	-	5,483,857
As at 31 December 2023	149,390	88,333,127	13,075,258	(92,216,584)	9,341,191

**COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2022**

	Called up share capital	Share premium account	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	133,882	88,149,051	1,646,946	(50,903,944)	39,025,935
Comprehensive income for the year	-	-	-	-	-
Loss for the year	-	-	-	(23,274,909)	(23,274,909)
Total comprehensive income for the year	-	-	-	(23,274,909)	(23,274,909)
Contributions by and distributions to owners					
Share option charge	-	-	6,144,039	-	6,144,039
Total contributions by and distributions to owners	-	-	6,144,039	-	6,144,039
As at 31 December 2022	133,882	88,333,127	7,790,985	(74,178,853)	21,895,065

The notes on pages 14 to 25 form part of these financial statements.

HIGHVIEW ENTERPRISES LIMITED

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

1. General information

Highview Enterprises Limited is a private Company limited by shares and incorporated in England and Wales. Registered number 04489271. Its registered head office is located at Pennine Place, 2A Charing Cross Road, London, WC2H 0HF.

2. Accounting policies**2.1 Statement of compliance and basis of preparation of financial statements**

The consolidated and single company financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006. There are no differences in the reporting dates of the financial statements of the parent and its subsidiaries used in the preparation of the consolidated financial statements.

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 Group's accounting policies.

The Group's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiaries). Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Accounting policies consistent with those of the parent are used and all intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.3 Going concern

After reviewing the Group's forecasts and projections for 12 months from the signing of the financial statements, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future.

The Group completed fundraising for the construction of the Carrington plant on 11 June 2024 and has plans to complete funding for a second plant at Hunterston within the outlook period. Forecasts have been prepared in which this funding is not completed, and downside scenarios of lower income and increased construction costs of the Carrington plant have been considered. In all cases, with some mitigating actions from Management, the Group would have sufficient funds to meet its liabilities as they fall due over the next 12 months.

The Group fund raising for the Carrington project includes debt funding of £155m with the first cash draw down on 30th November 2024. Cash draw downs are contingent on the satisfaction of quarterly debt equity covenant tests and of quarterly Key Performance Indicators. Management are confident that the requirements will be met throughout the outlook period.

The Group therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Turnover

Turnover comprises licence fees and engineering and design fees recognised by the Group in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

HIGHVIEW ENTERPRISES LIMITED

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

2. Accounting policies (continued)**2.5 Intangible assets**

Intangible assets recognised within the Balance Sheet relate exclusively to Development costs and IP Patents and Trademarks since 2019.

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. Useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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.

Amortisation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation will begin when the intangible asset is available for use, i.e. when it is in the location and condition necessary for it to be usable in the manner intended by management.

Patents and trademarks

Costs and other directly attributable costs in relation to Patents and Trademarks acquired by the Company are measured at cost less accumulated amortisation and any accumulated impairment losses.

Patents usually last for 20 years from the date of filing, subject to all parts of the patenting procedure being followed and renewal fees paid. Highview's portfolio has patents of varying age. The existing family of patents have been assessed together as a whole, with a current useful economic life of ten years.

Development costs

Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. The development assets capitalised by Highview are in relation to the commercial development work in packaging and standardising the product for commercial use. Although projects are expected to last for over thirty years, these capitalised development cost have been restricted to ten years useful economic life. Amortisation of development costs will commence when the assets are brought into use.

2.6 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:

Fixtures & fittings	- 33% Straight line
Buildings	- 3% Straight line

HIGHVIEW ENTERPRISES LIMITED

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

2. Accounting policies (continued)**2.6 Tangible fixed assets (continued)**

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.

Assets under construction are recognised at cost until completion has been achieved, at which point they transfer into fixed assets and commence depreciation.

2.7 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Associates and joint ventures

Associates and Joint Ventures are held at cost less impairment.

2.10 Debtors

Short term debtors are measured at transaction price or cost, less any impairment. Loans receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 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.

2.12 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and Loss Account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

HIGHVIEW ENTERPRISES LIMITED

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

2. Accounting policies (continued)**2.13 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.

2.14 Government grants

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

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

2.15 Foreign currency translation**Functional and presentation currency**

The Group'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 Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.16 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.

2.17 Foreign currency translation Functional and presentation currency

The Group'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.

HIGHVIEW ENTERPRISES LIMITED

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

2. Accounting policies (continued)**2.17 Foreign currency translation Functional and presentation currency (continued)**

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 Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.18 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.

2.19 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.

2.20 Pensions**Defined contribution pension plan**

The Group operates 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.

2.21 Interest income

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

2.22 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.23 Borrowing costs

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

2.24 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Group operates and generates income.

HIGHVIEW ENTERPRISES LIMITED

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

3. Significant judgements and estimates**Share-based payments**

The preparation of the financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing these financial statements, significant judgements have been made in determining the fair value of share-based payments granted to employees. The fair value of these share-based payments is estimated using the Black-Scholes Model, which requires the input of subjective assumptions. Changes in these assumptions affect the fair value estimate and the amount of share-based payment expense recognised in the financial statements.

4. Employees

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
		<i>(unaudited)</i>		
Wages and salaries	6,911,679	6,123,118	6,141,551	3,829,883
Social security costs	785,276	758,420	777,927	719,263
Cost of defined contribution scheme	186,285	170,707	298,993	154,358
	7,883,240	7,052,245	7,218,471	4,703,504

The Group average monthly number of employees, including Directors, during the year was 50 (2022 *unaudited*: 49). The Company average monthly number of employees, including Directors, during the year was 44 (2022: 42).

5. Director remuneration

The aggregate remuneration for the directors was £1,118,750 (2022: £1,175,000). During the year six directors exercised share options (2022: *nil*). The Group paid £13,542 (2022: £33,750) into defined contribution schemes.

The highest paid director received remuneration of £593,750 (2022: £641,667). The value of the Group's contributions paid to a defined contribution scheme in respect of the highest paid director amounted to £2,500 (2022: £23,333).

6. Taxation

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
		<i>(unaudited)</i>		
Overseas Taxation	(21,377)	(17,832)	-	-
Credit on research and development expenditure	271,415	-	271,415	-
	250,038	(17,832)	271,415	-

HIGHVIEW ENTERPRISES LIMITED

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

7. Group and Company intangible assets

	Patents & Trademarks £	Development Costs £	Total £
Cost			
At 1 January 2023	1,015,140	1,331,708	2,346,848
Additions	119,027	-	119,027
At 31 December 2023	1,134,167	1,331,708	2,465,875
Amortisation			
At 1 January 2023	228,912	-	228,912
Charge for the year	101,906	-	101,906
At 31 December 2023	330,818	-	330,818
Net book value			
At 31 December 2023	803,349	1,331,708	2,135,057
At 31 December 2022	786,228	1,331,708	2,117,936

Amortisation of development costs will commence when the assets are brought into use.

8. Group tangible fixed assets

	Fixtures & fittings £	Assets under construction £	Total £
Cost or valuation			
At 1 January 2023	242,806	6,404,876	6,647,682
Additions	4,613	1,499,932	1,504,545
Disposals	(11,599)	-	(11,599)
At 31 December 2023	235,820	7,904,808	8,140,628
Depreciation			
At 1 January 2023	150,099	-	150,099
Charge for the year	43,770	-	43,770
Disposals	(10,534)	-	(10,534)
At 31 December 2023	183,335	-	183,335
Net book value			
At 31 December 2023	52,485	7,904,808	7,957,293
At 31 December 2022	92,707	6,404,876	6,497,583

HIGHVIEW ENTERPRISES LIMITED

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

9. Company tangible fixed assets

	Fixtures & fittings £	Assets under construction £	Total £
Cost or valuation			
At 1 January 2023	221,475	6,404,876	6,626,351
Additions	2,663	1,499,932	1,502,595
At 31 December 2023	224,138	7,904,808	8,128,946
Depreciation			
At 1 January 2023	138,369	-	138,369
Charge for the year	41,293	-	41,293
At 31 December 2023	179,662	-	179,662
Net book value			
At 31 December 2023	44,476	7,904,808	7,949,284
At 31 December 2022	83,106	6,404,876	6,487,982

10. Fixed asset investments

	Investment in joint ventures £	Investment in subsidiary Companies £	Total £
Cost or valuation			
At 1 January 2023	161,010	12,696	173,706
Additions	-	1	1
At 31 December 2023	161,010	12,697	173,707
Impairment			
At 1 January 2023	161,010	-	161,010
Charge for the year	-	-	-
At 31 December 2023	161,010	-	161,010
Net book value			
At 31 December 2023	-	12,697	12,697
At 31 December 2022	-	12,696	12,696

HIGHVIEW ENTERPRISES LIMITED

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

10. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Cryobattery One Holding Limited	Pennine Place, 2A Charing Cross Road, London, WC2H 0HF	Holding company	Ordinary	100%
Cryobattery One Investment Holding Limited	Pennine Place, 2A Charing Cross Road, London, WC2H 0HF	Holding company	Ordinary	100%
Cryobattery One Limited	Pennine Place, 2A Charing Cross Road, London, WC2H 0HF	Special purpose vehicle for the development of electricity storage	Ordinary	100%
Cryobattery One Security Holding Limited	Pennine Place, 2A Charing Cross Road, London, WC2H 0HF	Holding company	Ordinary	100%
Highview Power Middle East DMCC	Unit No. 605, Fortune Executive Tower, Cluster T, Jumeirah Lake Towers, Dubai, UAE	Engineering and procurement support	Ordinary	100%
Highview Power Pty Limited	Suite 902, 146 Arthur Street, North Sydney, NSW 2060, Australia	Business development entity for Australia region	Ordinary	100%
Highview Power Spain Sociedad Limitada	Garcfa Paredes, 94 Planta 1 puerta B, 28010	Business development entity for Spanish region	Ordinary	100%
Highview Power Storage Inc	Highview Power Storage Inc, 335 Reinekers Lane, Suite 216, Alexandria, VA 22314, USA	Commercial deployment of a LAES system in the United States	Common	100%
HVS Gridco Limited	Pennine Place, 2A Charing Cross Road, London, WC2H 0HF	Special purpose vehicle for application of electricity grid connections	Ordinary	100%
HVS Siteco Limited	Pennine Place, 2A Charing Cross Road, London, WC2H 0HF	Special purpose vehicle for the development of electricity storage	Ordinary	100%

All subsidiary undertakings have been included in the consolidated financial statements of the Group.

HIGHVIEW ENTERPRISES LIMITED

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

11. Debtors

	Group		Company	
	2023 £	2022 £	2023 £	2023 £
Due within one year				
		(unaudited)		
Amounts owed by group undertakings	-	-	10,760,807	5,822,093
Other debtors	1,052,308	1,712,937	446,007	1,334,574
Prepayments	230,902	194,579	206,957	171,027
	1,283,210	1,907,516	11,413,771	7,327,694

12. Cash and cash equivalents

	Group		Company	
	2023 £	2022 £	2023 £	2023 £
		(unaudited)		
Cash at bank and in hand	1,374,004	7,469,264	1,289,615	7,411,779
Cash equivalents	89	2,118,018	89	2,118,018
	1,374,093	9,587,282	1,289,704	9,529,797

13. Creditors: amounts falling due within one year

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
		(unaudited)		
Trade creditors	2,418,186	1,008,738	2,197,800	770,304
Amounts owed to group undertakings	-	-	50,524	165,096
Other taxation and social security	501,838	323,849	500,824	306,787
Other creditors	78,376	10,570	54,499	430
Accruals and deferred income	1,329,752	1,253,783	1,207,016	1,139,250
Shareholder bridging loan notes	8,101,287	-	8,101,287	-
	12,429,439	2,596,940	12,111,950	2,381,867

14. Creditors: amounts falling due after more than one year

	Note	Group		Company	
		2023 £	2022 £	2023 £	2023 £
			(unaudited)		
Shareholder legacy loan notes	15	1,347,372	1,199,173	1,347,372	1,199,173

HIGHVIEW ENTERPRISES LIMITED

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

15. Loans

Analysis of the maturity of loans is given below:

	Group		Company	
	2023 £	2022 £ <i>(unaudited)</i>	2023 £	2023 £
Amounts falling due within one year				
Shareholder bridging loan notes	8,101,287	-	8,101,287	-
Amounts falling due after more than one year				
Shareholder legacy loan notes	1,347,372	1,199,173	1,347,372	1,199,173

The Company has outstanding £1.3m (2022: £1.2m) in Legacy Loan Notes accruing at 10% (2022: 10%) interest per annum, compounded yearly.

35% of any capital raised above £35m from 30th June 2020 must be used to repay Loan Noteholders.

The term of the Legacy Loan Notes have a maturity date of either the commercial operation date of Highview's first plant or 31/12/2022, whichever is the later.

The Company has outstanding £8.1m (2022: £Nil) in Bridging Loan Notes accruing at 10% interest per annum, compounded monthly. The loan notes were issued in 2023.

16. Financial instruments

	Group		Company	
	2023 £	2022 £ <i>(unaudited)</i>	2023 £	2023 £
Financial Assets				
Financial assets measured at fair value	1,374,093	9,587,282	1,289,704	9,529,797

Financial assets comprise of cash and cash equivalents.

17. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group		Company	
	2023 £	2022 £ <i>(unaudited)</i>	2023 £	2022 £
Leasehold properties				
Commitments within 1 year	98,885	84,220	98,885	80,000
Commitments greater than 1 year	-	-	-	-
	98,885	84,220	98,885	80,000

HIGHVIEW ENTERPRISES LIMITED

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

18. Related party transactions

At the year end, the Company was owed £8,552,093 (2022: £4,496,386) from Cryobattery One Limited, a UK incorporated subsidiary. This £8,552,093 is an intercompany loan as disclosed in the debtor notes.

At the year end, the Company was owed £1,709,708 (2022: £875,429) from Highview Power Middle East DMCC, a UAE incorporated subsidiary. This £1,709,708 is a trading balance as disclosed in the debtor note.

At the year end, the Company owed £50,524 (2022: £96,793) to Highview Power Pty Ltd, an Australian incorporated subsidiary. This £50,524 is a trading balance as disclosed in the creditor notes.

At the year end, the Company was owed £23,904 (2022: £68,382 creditor) from Highview Power Spain SL, a Spanish incorporated subsidiary. This £23,904 is a trading balance as disclosed in the debtor note.

At the year end, the Company was owed £3,335,718 (2022: £3,479,073) from Highview Power Storage Inc, which is a US incorporated subsidiary. This £3,335,718 is a combination of an intercompany loan and a trading balance, the intercompany receivable was impaired in the prior the financial period as a result of the subsidiary ceasing trading activities.

At the year end, the Company was owed £272,473 (2022: £286,713) from HVS Gridco Ltd, a UK incorporated subsidiary. This £272,473 is a combination of an intercompany loan and a trading balance as disclosed in the debtor note.

At the year end, the Company was owed £170,664 (2022: £163,566) from HVS Siteco Ltd, a UK incorporated subsidiary. This £170,664 is a combination of an intercompany loan and a trading balance as disclosed in the debtor note.

19. Post balance sheet events

The following post balance sheet events took place:

- In January 2024, there was an additional drawdown of £1m from the existing shareholders loan facility.
- In April 2024, assets under construction were purchased by Cryobattery One Limited for consideration equal to the carrying value.
- In April 2024, the investment held in Cryobattery One Limited was transferred to Cryobattery One Investment Holding Limited, a wholly owned subsidiary of Highview Enterprises Limited.
- In June 2024, the fundraising for the Carrington project was finalised, securing £138.5m of additional funding in the form of convertible loan notes at Highview Enterprises Limited and a £155m debt facility for Cryobattery One Limited.