

Registration number: 05180834

# Mitsui Power Ventures Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



# **Mitsui Power Ventures Limited**

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# **Mitsui Power Ventures Limited**

## **Company Information**

### **Directors**

Tadafumi Kawaguchi

Takuji Sasaki

### **Company secretary**

Tadafumi Kawaguchi

Vistra Company Secretaries Limited

First Floor

10 Temple Beck

Bristol

BS1 6FL

### **Registered office**

8th and 9th Floors

1 St. Martin's Le Grand

London

EC1A 4AS

### **Bankers**

Sumitomo Mitsui Banking Corporation Europe Ltd

99 Queen Victoria Street

London

EC4V 4EH

### **Auditors**

BDO LLP

55 Baker Street

London

W1U 7EU

## Mitsui Power Ventures Limited

### Strategic Report for the Year Ended 31 December 2021

The directors present their report for the year ended 31 December 2021.

#### **Fair review of the business**

The Company's key performance indicators include cash flows from its investments i.e. dividend income, interest income and interest charges. Therefore, the Company focuses on the results of the business activities of underlying assets of its investees.

The company's key financial and other performance indicators during the year were as follows:

During the year, the Company received dividend income of USD nil (2020: USD nil).

Interest income on loans to group undertakings was USD 33,369 (2020: USD 280,835).

The Directors are satisfied with the Company's performance in the year. The Directors closely monitor the business results of all assets.

#### **Principal risks and uncertainties**

The key financial risks which the Company faces relate to credit, foreign exchange and interest rate. As a result of the nature of the Company's principal activities, it is also exposed to risks and uncertainties in the performance of its investments. This could result in a material impact on the Company's performance and could cause the Company's results to differ materially from expected historical results. The Company regards the monitoring and controlling of risks as a fundamental part of the management process and has therefore set up a monitoring and reporting framework. The Company monitors its investments regularly as an investor through regular assessment of the financial performance, financial condition and the macro-economic factors impacting the sectors of its investments.

On 31 January 2020 the United Kingdom has ceased to be a member of the European Union ("BREXIT"). 'BREXIT', has certainly contributed to such uncertainties, however, given the principal assets of the Company's remaining assets are located outside of Europe, and has had minimal businesses in the European Union, and the nature of the industry in which such asset operate, BREXIT does not particularly increase the risks the Company face.

#### **Credit risk**

Credit risk is derived from the potential inability of the investee companies to repay the invested amount. Management conducts a thorough due diligence of the underlying assets before investing and performs regular reviews on the ongoing financial performance of the investee companies.

#### **Currency risk**

The Company is exposed to currency risk in respect of balances in currencies other than US dollars. The Company economically hedges its exposure by holding assets and liabilities in the same currency whenever possible.

#### **Interest rate risk**

Interest rate risk represents the sensitivity of the Company to changes in interest rates. The Company has the policy to match loans receivables and payables in the same base rates so that the Company minimises exposure to fluctuations of interest rates.

#### **Future developments**

The Company will continue to monitor its investment to power generation business in Spain and Puerto Rico under IPM Eagle LLP.

**Mitsui Power Ventures Limited**

**Strategic Report for the Year Ended 31 December 2021**

Approved by the Board of on 20<sup>th</sup> May 2022 and signed on its behalf by:



.....  
Tadafumi Kawaguchi  
Director

## **Mitsui Power Ventures Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

#### **Directors' of the company**

The directors, who held office during the year, were as follows:

Tadafumi Kawaguchi

Takuji Sasaki

#### **Principal activity**

Mitsui Power Ventures Limited ("the Company") was incorporated on 15 July 2004. The principal activity of the Company is to make investments in joint ventures with ENGIE S.A. (formerly International Power Limited). The Company is a 100% subsidiary of Mitsui & Co., Ltd. which provides the Company with direction, access to all central resources it needs and determines policies in all key areas such as finance and risk.

As at 31 December 2021, the Company holds investments in IPM Eagle LLP and IPM Holdings (UK) Limited. IPM Eagle LLP, in which the Company has 30% partnership interest, has four assets world-wide in Australia, Puerto Rico and Spain.

#### **Dividends**

The directors have declared interim dividends of USD nil for the year ended 31 December 2021 (2020: USD 27,000,000).

#### **Going concern**

The financial statements have been prepared on the assumption that the Company will continue as a going concern. In making this assessment the Directors have considered the effects of the outbreak of COVID-19 on the Company's ability to meet its liabilities as they fall due.

Operationally, as a holding Company Mitsui Power Ventures Limited has not been significantly impacted by COVID-19.

In light of forecasts prepared, as well as the existing cash and loan facility available the Directors consider that the Company has sufficient resources to meet its obligations as they fall due in the next 12 months from the date of signing of these financial statements. Accordingly, these financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will realise its assets and discharge its liabilities in the normal course of business.

Investment in IPM Eagle LLP is supported by power assets in different geographic areas and different fuel types. In addition, the Company holds sufficient net current assets to sustain its activity. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Whilst the Company has received no guarantees, the Directors have a reasonable expectation, based on experience to date, of continued and sufficient access to funding and capital facilities from its ultimate parent and that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Non adjusting events after the financial period**

On 21 March 2022, a cash dividend of US\$ 27,000,000 was received from IPM Eagle LLP.

## **Mitsui Power Ventures Limited**

### **Directors' Report for the Year Ended 31 December 2021**

#### **Director's Indemnities**

Qualifying third party indemnity provisions for the benefit of the Company's directors remain in force at the date of this report.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### **Reappointment of auditors**

BDO LLP has expressed their willingness to continue as auditor of the Company and appropriate arrangements have been put in place for them to be re-appointed in the absence of an Annual General Meeting.

Approved by the Board of on 20<sup>th</sup> May 2022 and signed on its behalf by:



.....  
Tadafumi Kawaguchi  
Director

## **Mitsui Power Ventures Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities for preparing the Annual 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

## Mitsui Power Ventures Limited

### Independent Auditor's Report to the Members of Mitsui Power Ventures Limited

#### Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year 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.

We have audited the financial statements of Mitsui Power Ventures Limited ("the Company") for the year ended 31 December 2021 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, 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 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

#### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### 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 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 directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Director's Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

## **Mitsui Power Ventures Limited**

### **Independent Auditor's Report to the Members of Mitsui Power Ventures Limited**

#### **Other Companies Act 2006 reporting**

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

- the information given in the Strategic report and 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.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

## **Mitsui Power Ventures Limited**

### **Independent Auditor's Report to the Members of Mitsui Power Ventures Limited**

#### *Extent to which the audit was capable of detecting irregularities, including fraud*

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:

Based on our understanding of the Company, we considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and corporation tax. The Company is also subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries.

Audit procedures performed by the engagement team included:

- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, including journal entries with unusual account combinations, postings by unusual users or with unusual descriptions.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

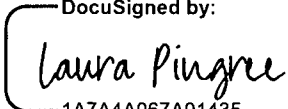
## Mitsui Power Ventures Limited

### Independent Auditor's Report to the Members of Mitsui Power Ventures Limited

#### 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.

DocuSigned by:



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Laura Pingree (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

55 Baker Street

London

W1U 7EU

20 May 2022

Date:.....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Mitsui Power Ventures Limited

## Income Statement for the Year Ended 31 December 2021

		31 December 2021 USD	31 December 2020 USD
Dividend Income		-	-
Administrative expenses		(259,198)	(253,855)
Operating loss		(259,198)	(253,855)
Finance income	4	33,369	280,835
Finance costs	5	(290,172)	(189,333)
Loss before tax	7	(516,001)	(162,353)
Income tax receipt	8	319,423	367,720
(Loss)/profit for the year		(196,578)	205,367

The notes on pages 15 to 23 form an integral part of these financial statements.

**Mitsui Power Ventures Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2021**

	<b>31 December 2021 USD</b>	<b>31 December 2020 USD</b>
(Loss)/profit for the year	<u>(196,578)</u>	<u>205,367</u>
Total comprehensive (loss)/income for the year	<u>(196,578)</u>	<u>205,367</u>

The notes on pages 15 to 23 form an integral part of these financial statements.


# Mitsui Power Ventures Limited

(Registration number: 05180834 )

## Statement of Financial Position as at 31 December 2021

	Note	31 December 2021 USD	31 December 2020 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	9	2,498,612	2,498,612
<b>Current assets</b>			
Trade and other receivables	10	35,085,598	35,107,571
Income tax asset	8	319,423	1,155,339
Cash and cash equivalents	11	1,287,950	622,582
		<u>36,692,971</u>	<u>36,885,492</u>
Total assets		<u>39,191,583</u>	<u>39,384,104</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	1	1
Retained earnings		<u>39,008,269</u>	<u>39,204,847</u>
		39,008,270	39,204,848
<b>Current liabilities</b>			
Trade and other payables	13	<u>183,313</u>	<u>179,256</u>
Total equity and liabilities		<u>39,191,583</u>	<u>39,384,104</u>

Approved by the Board on 20<sup>th</sup> May 2022 and signed on its behalf by:

  
 .....  
 Tadafumi Kawaguchi  
 Director

# Mitsui Power Ventures Limited

## Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital USD	Retained earnings USD	Total USD
At 1 January 2021	1	39,204,847	39,204,848
Loss for the year	-	(196,578)	(196,578)
Total comprehensive income	-	(196,578)	(196,578)
At 31 December 2021	1	39,008,269	39,008,270
	Share capital USD	Retained earnings USD	Total USD
At 1 January 2020	1	65,999,480	65,999,481
Profit for the year	-	205,367	205,367
Total comprehensive income	-	205,367	205,367
Dividends	-	(27,000,000)	(27,000,000)
At 31 December 2020	1	39,204,847	39,204,848

The notes on pages 15 to 23 form an integral part of these financial statements.

## Mitsui Power Ventures Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 1 General information

The company is a private company limited by share capital, incorporated and domiciled in the United Kingdom under the Companies Act 2006.

The address of its registered office is:

8th and 9th Floors  
1 St. Martin's Le Grand  
London  
EC1A 4AS  
United Kingdom

#### Basis of preparation

The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2. These financial statements are presented in USD because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2021 the financial statements have been prepared in accordance with FRS 101 Reduced Disclosure Framework.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to:

- IAS 1 para 134 to 136 requirement to disclose the Company's objectives, policies and processes for managing capital;
- the requirements of IAS 7 Statement of Cash Flows to present a statement of cash flows for the period and the disclosure of cash flow information;
- financial instruments as required by IFRS 7 Financial Instruments: Disclosures and from the disclosure requirements of IFRS 13 'Fair Value Measurement';
- the requirements in IAS 24 Related Party Disclosures for transactions entered into between two or more members of group undertakings, and key management compensation;
- the requirements of para 30 to 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to disclose when an entity has not applied a new IFRS that has been issued but is not yet effective; and
- IAS 1 para 16 requirement to state compliance with all the requirements of IFRSs.

Where relevant, equivalent disclosures have been given in the consolidated financial statements of Mitsui & Co., Ltd. The consolidated financial statements of Mitsui & Co., Ltd. are available to the public and can be obtained as set out in note 16.

#### 2 Accounting policies

##### Summary of significant accounting policies and key accounting estimates

The financial statements are prepared in accordance with FRS 101 and under the historical cost convention. The accounting policies adopted have been consistently applied in the current and prior years and are described below.

## **Mitsui Power Ventures Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2. Accounting Policies (continued)**

##### **Going concern**

The financial statements have been prepared on a going concern basis. As set out on the Directors' report on page 4, the Directors believe that the Company has adequate resources and group support to continue in operational existence for the foreseeable future, and accordingly, continue to adopt the going concern basis in preparing these financial statements.

##### **Summary of disclosure exemptions**

The Company has taken advantage of the exemption clauses within section 401 of the Companies Act 2006 and has not prepared consolidated accounts. The financial statements present information about the Company as an individual entity and not its group. The ultimate parent company of Mitsui Power Ventures Limited is Mitsui & Co. Ltd, a company incorporated in Japan, which prepares consolidated accounts under IFRS. The consolidated financial statements of Mitsui & Co., Ltd. are available to the public and can be obtained as set out in note 16.

##### **Foreign currency transactions and balances**

The accounts are prepared in US dollars, the currency of the primary economic environment in which the Company operates.

All monetary assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are included in the profit or loss. All non-monetary assets and liabilities are recorded at historical cost, and any capital reduction in the investment is recorded using the rate of exchange ruling at the transaction date.

##### **Dividend Income**

Such income relates to the dividends received on the shares in IPM Eagle LLP Limited except to the extent those payments relate to capital reductions in the investee companies. The dividend income is accrued for when the dividend is declared and when the contractual right to receive the cash is established.

##### **Administrative expenses**

Administrative expenses are recognised on an accrual basis.

##### **Finance income and costs policy**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's carrying amount.

Interest expenses are accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's carrying amount.

## **Mitsui Power Ventures Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **2. Accounting Policies (continued)**

##### **Taxation**

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Investments**

Investments are stated at cost less any provision for impairment.

##### **Impairment of non-financial assets**

In accordance with IAS 36, impairment tests are carried out where there is an indication that the asset may be impaired. Such indicators may be based on events or changes in the market environment, or on internal sources of information. Fixed asset investments are only tested for impairment when there is an indication that they may be impaired.

The main impairment indicators used are (i) significant changes in the economic, technological, legal, regulatory, political or market environment in which the investee operates, (ii) fall in demand, (iii) changes in energy prices and US dollar exchange rates, (iv) unexpected evidence of obsolescence or physical damage and (v) deterioration in financial performance.

##### **Financial instruments**

##### **Initial recognition**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

# Mitsui Power Ventures Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 2. Accounting Policies (continued)

#### Classification and measurement

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, including amounts owed by group depending on the classification of the financial assets.

Financial liabilities include borrowings, amounts owed to group undertakings and other creditors, which are measured at amortised cost using the effective interest rate method. The Company derecognises financial liabilities when, and only when, its obligations are discharged, cancelled or they expire.

#### Impairment of financial assets

##### *Measurement of Expected Credit Losses*

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows have been affected.

For financial assets carried at amortised cost, the amount of the impairment is the differences between the asset's carrying amount and the present value of the estimated future cash flows. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

### 3 Critical accounting judgements and key sources of estimation uncertainty

In applying the accounting policies, the Directors are required to make judgements, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements and estimates used in preparing the financial statements predominately relate to the measurement of (i) recoverable amount of fixed asset investments and (ii) recoverability of loan receivables.

The Directors assess the recoverability of its loan receivables on a periodic basis. The recoverable amount of fixed asset investments is based on estimates and assumptions regarding the expected business outlook, whose sensitivity varies depending on activity, which will affect measurement of future cash flows and applicable discount rate. Any changes in these assumptions may have a material impact on the recoverable amount and could result in adjustments to the impairment test result.

### 4 Interest receivable and similar income

	31 December 2021 USD	31 December 2020 USD
Other finance income	33,369	280,835

## Mitsui Power Ventures Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 5 Interest payable and similar expenses

	31 December 2021 USD	31 December 2020 USD
Foreign exchange (gains) / losses	68,849	(55,053)
Other finance costs	221,323	244,386
	<u>290,172</u>	<u>189,333</u>

#### 6 Directors' remuneration

During the year the number of directors who were receiving benefits and share incentives was as follows: The average number of directors for the year is two (2020 : two). None of the directors received remuneration in respect of services to the Company during the year (2020 : USD nil). The Company employed no direct staff (2020 : none) and incurred no staff costs during the year (2020 :USD nil).

#### 7 Operating (loss/profit)

	31 December 2021 USD	31 December 2020 USD
Audit of the financial statements	<u>27,706</u>	<u>26,425</u>

#### 8 Income tax

Tax credited in the income statement

	31 December 2021 USD	31 December 2020 USD
<b>Current taxation</b>		
UK corporation tax adjustment to prior periods	<u>(319,423)</u>	<u>(367,720)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

# Mitsui Power Ventures Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

	31 December 2021 USD	31 December 2020 USD
Loss before tax	(516,001)	(162,353)
Corporation tax at standard rate	(98,040)	(30,847)
Decrease in current tax from adjustment for prior periods	(319,423)	(367,720)
Tax decrease from utilisation of tax losses	98,040	30,847
Total tax credit	(319,423)	(367,720)

There is an unrecognised deferred tax asset at 31 December 2021 of US\$17m (2020: US\$17m) in relation to tax losses carried forward. This asset has not been recognised on the basis that there is insufficient evidence of suitable taxable profits arising in the future against which the asset could be offset. There are no unprovided deferred tax liabilities (2020: US\$nil).

## Mitsui Power Ventures Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 9 Investments

	Investment in partnership undertaking USD	Investment in shares USD	Total USD
At 1 January 2020	45,000	2,453,612	2,498,612
Additions	-	-	-
Disposals	-	-	-
At 31 December 2020	45,000	2,453,612	2,498,612
At 1 January 2021	45,000	2,453,612	2,498,612
Additions	-	-	-
Disposals	-	-	-
At 31 December 2021	45,000	2,453,612	2,498,612

Details of the associates as at 31 December 2021 are as follows:

Name of associate	Principal activity	Registered office	Partners' capital	
IPM Eagle LLP	Investment holding	Level 20, 25 Canada Square, London, E14 5LQ United Kingdom	2021 30%	2020 30%

Details of the associates as at 31 December 2021 are as follows:

Name of associate	Principal activity	Registered office	Ordinary shares	
IPM Holdings (UK) Limited	Investment holding	Level 20, 25 Canada Square, London, E14 5LQ. United Kingdom	2021 25%	2020 25%

# Mitsui Power Ventures Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021

### 10 Trade and other receivables

	31 December 2021 USD	31 December 2020 USD
Accrued income	3,927,200	3,973,953
Short term loans receivable	31,158,398	31,133,618
	<u>35,085,598</u>	<u>35,107,571</u>

Mitsui & Co., Ltd. (the parent company) has a group policy of cash management to deposit all excess cash with Mitsui & Co. Financial Services (Europe) PLC (MFSE). The Company has an outstanding short term interest bearing deposit of USD 31,158,398 in MFSE at 31 December 2021 (2020: USD 31,133,618).

### 11 Cash and cash equivalents

	31 December 2021 USD	31 December 2020 USD
Cash at bank	<u>1,287,950</u>	<u>622,582</u>

### 12 Share capital

#### Allotted, called up and fully paid shares

	31 December 2021		31 December 2020	
	No.	USD	No.	USD
Ordinary shares of USD 1 each	1	1	1	1

### 13 Trade and other payables

	31 December 2021 USD	31 December 2020 USD
Accrued expenses	<u>183,313</u>	<u>179,256</u>

## Mitsui Power Ventures Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021

#### 14 Dividends

##### Interim dividends paid

	31 December 2021 USD	31 December 2020 USD
Dividends on ordinary shares	-	27,000,000

During the year the company paid dividend of USD NIL (2020: USD 27,000,000) on the ordinary share capital of the company.

#### 15 Related party transactions

The Company is a wholly owned subsidiary of the Mitsui group. As such, the Company has taken advantage of the exemption available in FRS 101 from disclosing transactions with entities that are wholly owned by the group.

#### 16 Parent and ultimate parent undertaking

The company's immediate parent is Mitsui & Co Ltd.

##### Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Mitsui & Co Ltd, incorporated in Japan.

The address of Mitsui & Co Ltd is:

2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan

#### 17 Non adjusting events after the financial period

On 21 March 2022, a cash dividend of US\$ 27,000,000 was received from IPM Eagle LLP.