

ENERGY INNOVATION CENTRE LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

ENERGY INNOVATION CENTRE LIMITED
(A Company Limited by Guarantee)
Registered number: 07809152

BALANCE SHEET
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	53,149	84,477
Tangible assets	5	6,506	8,750
Investments	6	2	2
		<u>59,657</u>	<u>93,229</u>
Current assets			
Debtors: amounts falling due within one year	7	1,471,971	905,978
Cash at bank and in hand	8	3,568,513	1,713,103
		<u>5,040,484</u>	<u>2,619,081</u>
Creditors: amounts falling due within one year	9	(4,703,881)	(2,316,571)
Net current assets		<u>336,603</u>	<u>302,510</u>
Total assets less current liabilities		<u>396,260</u>	<u>395,739</u>
Provisions for liabilities			
Deferred tax		(3,812)	(3,686)
		<u>(3,812)</u>	<u>(3,686)</u>
Net assets		<u><u>392,448</u></u>	<u><u>392,053</u></u>
Capital and reserves			
Profit and loss account		392,448	392,053
		<u><u>392,448</u></u>	<u><u>392,053</u></u>

ENERGY INNOVATION CENTRE LIMITED

(A Company Limited by Guarantee)

Registered number: 07809152

BALANCE SHEET (CONTINUED)

As at 31 March 2023

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 October 2023.

D M Massey

Director

The notes on pages 3 to 11 form part of these financial statements.

ENERGY INNOVATION CENTRE LIMITED
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2023

1. General information

The company is a private company limited by guarantee, which is incorporated under the Companies Act 2006 and registered in England (no. 07809152). The address of the registered office is The Technology Centre Suites 1 And 2, Inward Way, Ellesmere Port, CH65 3EN.

These financial statements present information about the company as an individual undertaking.

The principal activity of the company is to accelerate the discovery, development and deployment of innovation among the transmission and distribution network operators.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Operating leases: the Company as lessee

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

2.4 Interest income

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

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

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

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

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Intangible assets

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

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

The estimated useful lives range as follows:

Development expenditure	-	5	years
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ENERGY INNOVATION CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

S/Term Leasehold Property	- over life of lease
Fixtures & fittings	- over 5 years straight line
Office equipment	- over 3 or 5 years straight line
Website	- over 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

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

2.11 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 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.

ENERGY INNOVATION CENTRE LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 profit or loss in the year that the Company 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.

2.14 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

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

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

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

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

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2023

2. Accounting policies (continued)

2.14 Financial instruments (continued)

the future cash flows at the asset(s) original effective interest rate.

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

Financial liabilities

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

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

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

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

3. Employees

The average monthly number of employees, including directors, during the year was 23 (2022 - 25).

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For the Year Ended 31 March 2023

4. Intangible assets

	Computer software £
Cost	
At 1 April 2022	156,642
At 31 March 2023	156,642
Amortisation	
At 1 April 2022	72,165
Charge for the year on owned assets	31,328
At 31 March 2023	103,493
Net book value	
At 31 March 2023	53,149
At 31 March 2022	84,477

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5. Tangible fixed assets

	S/Term Leasehold Property £	Fixtures & fittings £	Office equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 April 2022	22,595	17,701	53,502	9,880	103,678
Additions	-	941	4,000	-	4,941
At 31 March 2023	22,595	18,642	57,502	9,880	108,619
Depreciation					
At 1 April 2022	20,728	17,108	47,212	9,880	94,928
Charge for the year on owned assets	1,867	341	4,977	-	7,185
At 31 March 2023	22,595	17,449	52,189	9,880	102,113
Net book value					
At 31 March 2023	-	1,193	5,313	-	6,506
At 31 March 2022	1,867	593	6,290	-	8,750

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	2
At 31 March 2023	2

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For the Year Ended 31 March 2023

7. Debtors

	2023 £	2022 £
Trade debtors	1,097,662	395,323
Other debtors	32,568	-
Prepayments and accrued income	29,301	67,561
Grants receivable	312,440	443,094
	<u>1,471,971</u>	<u>905,978</u>

8. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	3,568,513	1,713,103
	<u>3,568,513</u>	<u>1,713,103</u>

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Payments received on account	3,250,391	1,150,678
Trade creditors	516,033	460,517
Other taxation and social security	308,754	62,539
Other creditors	34,464	73,577
Accruals and deferred income	594,239	569,260
	<u>4,703,881</u>	<u>2,316,571</u>

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NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2023

10. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>3,568,513</u>	<u>1,713,103</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank.

11. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

12. Pension commitments

The Company operates a defined contributions pension scheme.

The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £89,866 (2022 - £113,504).

Contributions totalling £5,269 (2022 - £17,242) were payable to the fund at the balance sheet date and are included in creditors.

13. Commitments under operating leases

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

	2023 £	2022 £
Not later than 1 year	-	9,405
	<u>-</u>	<u>9,405</u>

14. Controlling party

The company is not controlled by any individual party.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.