

The Electric Highway Company Limited

Company Number 08370340

Annual Financial Statements - 31 December 2021

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The Electric Highway Company Limited
Contents
31 December 2021



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The Directors present their report and the financial statements for The Electric Highway Company Limited (the "Company") for the financial period ended 31 December 2021.

Principal Activities and Business Review

The principal activity of the Company is the provision of electric vehicle charging points across the strategic road network. During the period, the Company undertook an ambitious roll-out programme to replace all chargers with new, high-quality chargers, through a programme of works with the GRIDSERVE Group, who acquired the Company on 4 June 2021.

Financial results and dividends

The results for the financial year are set out on page 5.

The Directors do not recommend the payment of a dividend (2020: nil).

Directors

The Directors who held office during the period and up to the date of signing the financial statements (unless stated otherwise) are given below:

| | |
|---------------------|--------------------------------|
| Toddington Harper | <i>appointed 11 March 2021</i> |
| Jeremy Cross | <i>appointed 11 March 2021</i> |
| Darren Cruickshank | <i>appointed 15 June 2021</i> |
| Alan McCarthy-Wyper | <i>appointed 15 June 2021</i> |
| Tom Cowling | <i>resigned 11 March 2021</i> |
| Simon Crowfoot | <i>resigned 4 June 2021</i> |
| Dale Vince | <i>resigned 4 June 2021</i> |
| Asif Rehmanwala | <i>resigned 11 March 2021</i> |

The Company has made qualifying third party indemnity provisions for the benefit of its Directors during the period, which remain in force at the date of this report.

No Director exercised any share options during the year or the prior year.

Financial risk management

The Company has established a risk and financial management framework whose primary objectives are to protect the Company from events that hinder the achievement of the Company's performance objectives.

The objectives aim to limit undue counterparty exposure, ensure sufficient working capital exists and monitor the management of risk at a business unit level.

Exposure to credit, liquidity and cash flow risk

As the Company is currently in the process of constructing a large infrastructure asset base, it is naturally exposed to liquidity and cash flow risk. Management take steps to ensure that the Company implements risk identification policies, procedures and a strong control environment to mitigate these risks effectively.

Post balance sheet events

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Going concern

The Financial Statements have been prepared on a going concern basis. The Company has access to debt facilities to enable it to carry out the construction and roll out of new charging sites.

A number of going concern modelling scenarios have been prepared. In the unlikely event of a significant adverse downturn in the Company's costs of energy, the Company can rely on ongoing support from the wider GRIDSERVE Group.

As a result of considerations noted above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

Exemption from audit

For the period ended 31 December 2021, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

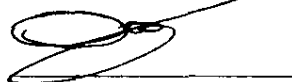
The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts, as stated in the statement of Directors' responsibilities.

The Electric Highway Company Limited
Directors' report
31 December 2021



This report is made in accordance with a resolution of Directors.

On behalf of the Directors



Jeremy Cross
Director

29 September 2022

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. The Directors have elected to prepare the Company financial statements under United Kingdom adopted international accounting standards. 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, International Accounting Standard 1 requires that Directors:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements of the financial reporting framework are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Electric Highway Company Limited
Statement of profit or loss and other comprehensive income
For the period ended 31 December 2021



| | Note | 2021 £ | 2020 £ |
|--|-------------|-------------------------|-------------------------|
| Revenue | 5 | 1,737,338 | 692,475 |
| Other operating income | 6 | 380,973 | 30,748 |
| Cost of sales | | (1,386,341) | (537,203) |
| Administrative expenses | | (1,148,765) | (1,511,598) |
| EBITDA | 2 | (416,795) | (1,325,578) |
| Depreciation and amortisation | | (590,951) | (147,316) |
| | | (590,951) | (147,316) |
| Loss before tax expense | | (1,007,746) | (1,472,894) |
| Tax expense | 8 | - | - |
| Loss after tax expense for the period attributable to the owners of The Electric Highway Company Limited | 16 | (1,007,746) | (1,472,894) |
| Other comprehensive income for the period, net of tax | | - | - |
| Total comprehensive expense for the period attributable to the owners of The Electric Highway Company Limited | | (1,007,746) | (1,472,894) |

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Electric Highway Company Limited
Statement of financial position
As at 31 December 2021



| | Note | 31 Dec 2021 £ | 30 April 2021 £ |
|--|------|-------------------|--------------------|
| Non-current assets | | | |
| Property, plant and equipment | 9 | 18,597,494 | 2,655,502 |
| Total non-current assets | | <u>18,597,494</u> | <u>2,655,502</u> |
| Current assets | | | |
| Trade and other receivables | 10 | 2,896,256 | 143,959 |
| Cash and cash equivalents | 11 | 2,099,066 | 219,552 |
| Total current assets | | <u>4,995,322</u> | <u>363,511</u> |
| Current liabilities | | | |
| Trade and other payables | 12 | 2,506,167 | 1,722,398 |
| Total current liabilities | | <u>2,506,167</u> | <u>1,722,398</u> |
| Net current (liabilities)/assets | | <u>2,488,855</u> | <u>(1,358,887)</u> |
| Total assets less current liabilities | | <u>21,086,349</u> | <u>1,296,615</u> |
| Non-current liabilities | | | |
| Borrowings | 13 | 20,797,480 | - |
| Total non-current liabilities | | <u>20,797,480</u> | <u>-</u> |
| Total fair value of net assets acquired | | <u>288,869</u> | <u>1,296,615</u> |
| Equity | | | |
| Share capital | 14 | 112 | 112 |
| Share premium | 15 | 8,872,819 | 8,872,819 |
| Retained earnings | 16 | (8,584,062) | (7,576,316) |
| Total equity | | <u>288,869</u> | <u>1,296,615</u> |

Refer to note 3 for detailed information on the Company's transition to FRS101 and the methodology applied.

The Electric Highway Company Limited's Company number is 08370340.

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

For the period ended 31 December 2021, the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies. No members have required the Company to obtain an audit of its accounts for the period in question in accordance with Section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities under the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

These financial statements were approved by the Directors and authorised for issue on 29 September 2022.

Jeremy Cross
Director

29 September 2022

The above statement of financial position should be read in conjunction with the accompanying notes

The Electric Highway Company Limited
Statement of changes in equity
For the period ended 31 December 2021



| | Issued capital £ | Share premium £ | Retained profits £ | Total equity £ |
|---|------------------------|-----------------------|--------------------------|-------------------|
| Balance at 1 May 2020 | 100 | - | (6,103,422) | (6,103,322) |
| Loss after tax expense for the period | - | - | (1,472,894) | (1,472,894) |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| Total comprehensive expense for the period | - | - | (1,472,894) | (1,472,894) |
| Debt for equity swap | 12 | - | - | 12 |
| Transactions with owners | - | 8,872,819 | - | 8,872,819 |
| Balance at 30 April 2021 | <u>112</u> | <u>8,872,819</u> | <u>(7,576,316)</u> | <u>1,296,615</u> |

Refer to note 3 for detailed information on the Company's transition to FRS 101 and the methodology applied.

| | Issued capital £ | Share premium £ | Retained profits £ | Total equity £ |
|---|------------------------|-----------------------|--------------------------|-------------------|
| Balance at 1 May 2021 | 112 | 8,872,819 | (7,576,316) | 1,296,615 |
| Loss after tax expense for the period | - | - | (1,007,746) | (1,007,746) |
| Other comprehensive income for the period, net of tax | - | - | - | - |
| Total comprehensive expense for the period | - | - | (1,007,746) | (1,007,746) |
| Balance at 31 December 2021 | <u>112</u> | <u>8,872,819</u> | <u>(8,584,062)</u> | <u>288,869</u> |

Refer to note 3 for detailed information on the Company's transition to FRS 101 and the methodology applied.

The above statement of changes in equity should be read in conjunction with the accompanying notes

Note 1. Corporate information

The financial statements of The Electric Highway Company Limited for the period ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 29 September 2022.

The Electric Highway Company Limited is a company limited by shares, incorporated in the United Kingdom and registered in England & Wales (Registered Number: 08370340). The Company's registered address is Thorney Weir House, Thorney Mill Lane, Iwer, SLO 9AQ.

The principal activity of the Company is the provision of electric vehicle charge points on the UK's motorway network.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available to it, including: statement of cash flows, new Accounting Standards not yet mandatory, disaggregation of revenue, reconciliations of contract assets and liabilities, unsatisfied performance obligations, presentation of comparative information for certain assets, impairment of assets, capital risk management, financial instruments, fair value measurement, key management personnel, related party transactions, business combinations and share-based payments.

The Company's ultimate parent entity is GRIDSERVE Holdings Limited (incorporated in the United Kingdom) and its consolidated financial statements, which the Company forms part of, are available from Companies House.

For all periods up to and including the year ended 31 December 2020, the Company prepared financial statements in accordance with UK generally accepted accounting principles (UK GAAP). These financial statements for the period ended 31 December 2021 are the first the Company has prepared in accordance with United Kingdom adopted international accounting standards. Refer to note 3 for information on how the Company adopted FRS 101.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Going concern

The Financial Statements have been prepared on a going concern basis. The Company has access to debt facilities to enable it to carry out the construction and roll out of new charging sites.

A number of going concern modelling scenarios have been prepared. In the unlikely event of a significant adverse downturn in the Company's costs of energy, the Company can rely on ongoing support from the wider GRIDSERVE Group.

As a result of considerations noted above, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these Financial Statements.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with any conditions attached to the grant, and that the grant will be received.

Borrowing costs

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

Costs arising from other financial instruments are recognised according to the nature of the instrument.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (being assets that necessarily take a substantial period of time to get ready for their intended use or sale) are included in the cost of the assets.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

Note 2. Significant accounting policies (continued)

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date.

Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Development costs are classified as assets under construction and stated at cost. They are reclassified and depreciated once the developments are complete.

Depreciation is calculated to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | |
|---------------------|---------------------------|
| Plant and machinery | Depreciated over 15 years |
|---------------------|---------------------------|

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

VAT and similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 2. Significant accounting policies (continued)

Borrowing costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Share capital

Ordinary shares are classified as equity.

Note 3. Transition to FRS 101

These financial statements, for the period ended 31 December 2021, are the first the Company has prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. For periods up to and including the year ended 31 December 2020, the Company prepared its financial statements in accordance with UK generally accepted accounting principles (FRS 102).

Exemptions applied

FRS 101 allows certain disclosure exemptions to qualifying entities. As a result, the Company has taken advantage of the following exemptions:

- IFRS 7 disclosures regarding financial instruments;
- IFRS 16 disclosures regarding leases;
- IAS 1 requirement to disclose the company's objectives, policies and processes for managing capital;
- IAS 7 requirement to produce a statement of cash flows and related notes;
- IAS 8 requirement to disclose information about the impact of standards not yet effective;
- IAS 24 requirements in respect of disclosing remuneration of key management personnel and intra-group transactions; and
- IAS 36 requirements on some detailed disclosures regarding impairment of assets.

Estimates

The estimates at 1 January 2020 and at 31 December 2020 are consistent with those made for the same dates in accordance with UK GAAP (after adjustments to reflect any differences in accounting policies).

No transitional adjustments have been required during the Company's transition to FRS 101.

Note 4. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgements in applying the entity's accounting policies

the Directors have assessed the application of the going concern basis in the preparation of the financial statements. Please see note 2 for further details.

Critical accounting estimates and assumptions

On an annual basis, the Directors assess whether the Company's tangible fixed assets are impaired, as well as estimating the useful economic life of tangible fixed assets. The Directors consider the warranty periods offered by manufacturers, operational experience and other factors in order to build into this expectation.

Note 5. Revenue

The total revenue of the Company for the year has been derived from its principal activities wholly undertaken in the United Kingdom.

| | 2021 | 2020 |
|---------------------------|------------------|----------------|
| | £ | £ |
| Electric vehicle charging | <u>1,737,338</u> | <u>692,475</u> |

Note 6. Other operating income

Other operating income relates to the waiver of pre-existing intra-Group debt received during the sale of the Company in June 2021. Prior year amounts comprise government grants received under the Coronavirus Job Retention Scheme ("CJRS").

| | 2021 £ | 2020 £ |
|------------------------|----------------|---------------|
| Debt waiver received | 380,973 | - |
| Government grants | - | 30,748 |
| | <u>380,973</u> | <u>30,748</u> |
| Other operating income | <u>380,973</u> | <u>30,748</u> |

Note 7. Staff costs

The Company does not have any employees. Directors' emoluments are paid via another Group Company. The amount attributable to this Company cannot be readily estimated.

Note 8. Tax expense

Corporation tax is calculated at 19% (2020: 19%) of the estimated assessable profit for the year.

The major components of the income tax (credit)/charge for 2021 and 2020 are:

| | 2021 £ | 2020 £ |
|--|---------------|----------------|
| Reconciliation of tax (credit)/charge and the accounting loss multiplied by the domestic tax rate for 2021 and 2020: | | |
| Loss before tax expense | (1,007,746) | (1,472,894) |
| Tax at the statutory tax rate of 19% | (191,472) | (279,850) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Fixed asset differences | 112,134 | 202 |
| Tax effect of expenses that are not deductible in determining taxable profit | 146 | 2,442 |
| Losses on which deferred tax has not been recognised | 79,192 | 277,206 |
| | <u>79,192</u> | <u>277,206</u> |
| Tax expense | <u>-</u> | <u>-</u> |

Domestic income tax is calculated at 19.00% (2020: 19.00%) of the estimated assessable profit for the year.

The Finance Act 2021 was substantially enacted in the year whereby the standard rate of corporation tax was increased from 19% to 25% with effect from 1 April 2023. The Company does not currently consider that the provisions included in Finance Act 2022 will have a material impact on future tax charges.

Note 9. Property, plant and equipment

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial period are set out below:

| | Plant & machinery £ | Assets under construction £ | Total £ |
|---|---------------------------|-----------------------------------|-------------------|
| Cost | | | |
| At 1 May 2021 | 1,900,650 | 2,359,686 | 4,260,336 |
| Additions | 9,967,161 | 6,565,791 | 16,532,952 |
| Closing cost at 31 December 2021 | 11,867,811 | 8,925,477 | 20,793,288 |
| Accumulated Depreciation | | | |
| At 1 May 2021 | 1,604,843 | - | 1,604,843 |
| Depreciation charge for the year | 590,951 | - | 590,951 |
| Closing accumulated depreciation at 31 December 2021 | 2,195,794 | - | 2,195,794 |
| NPV at 31 December 2021 | 9,672,017 | 8,925,477 | 18,597,494 |
| NPV at 1 May 2021 | 295,807 | 2,359,686 | 2,655,493 |

Note 10. Trade and other receivables

| | 31 Dec 2021 £ | 30 April 2021 £ |
|--------------------------------------|------------------|--------------------|
| Trade receivables | 14,547 | 605 |
| Other receivables | 11,241 | 62,568 |
| Amounts owed from group undertakings | 1,130,443 | - |
| VAT receivable | 1,598,882 | - |
| Prepayments and contract assets | 141,143 | 80,786 |
| | 2,896,256 | 143,959 |

The fair values of trade and other receivables is equivalent to the carrying amounts. Intra-group receivables are unsecured and repayable on demand.

Note 11. Cash and cash equivalents

| | 31 Dec 2021 £ | 30 April 2021 £ |
|---------------------------|------------------|--------------------|
| Cash and cash equivalents | 2,099,066 | 219,552 |

Cash and cash equivalents comprise cash held. The carrying amount of these assets equates to their fair value.

Note 12. Trade and other payables

| | 31 Dec 2021 £ | 30 April 2021 £ |
|----------------|------------------|--------------------|
| Trade payables | 1,176,749 | 624,591 |
| Accruals | 1,329,718 | 1,097,807 |
| | 2,506,467 | 1,722,398 |

Accruals comprise principally energy costs yet to be invoiced to the Company.

Note 13. Borrowings

| | 31 Dec 2021 £ | 30 April 2021 £ |
|-----------------------------------|-------------------|--------------------|
| Electric Highway Development Loan | <u>20,797,480</u> | <u>-</u> |

The Development Loan counterparty entity is Mitsubishi HC Capital UK Plc (formerly known as Hitachi Capital (UK) Plc). The interest rate levied is 3 month SONIA + 5%.

Note 14. Share capital

| | 31 Dec 2021 Shares | 30 April 2021 Shares | 31 Dec 2021 £ | 30 April 2021 £ |
|----------------------------|-----------------------|-------------------------|------------------|--------------------|
| Ordinary shares of £0.0001 | <u>1,000,000</u> | <u>1,000,000</u> | <u>112</u> | <u>112</u> |

During the prior year, 100 existing £1 ordinary shares were divided into 889,100 £0.0001 ordinary shares with an aggregated share capital of £100. Furthermore, 110,900 ordinary shares having an aggregate nominal value of £12 were allotted for an aggregate consideration of £80 per share.

Note 15. Share premium

| | 31 Dec 2021 £ | 30 April 2021 £ |
|---------------|------------------|--------------------|
| Share premium | <u>8,872,819</u> | <u>8,872,819</u> |

Share premium represents the excess above the nominal value that has been received on issue of share capital.

Note 16. Retained earnings

| | 31 Dec 2021 £ | 30 April 2021 £ |
|---|--------------------|--------------------|
| Accumulated losses at the beginning of the financial period | (7,576,316) | (6,103,422) |
| Loss after tax expense for the period | <u>(1,007,746)</u> | <u>(1,472,894)</u> |
| Accumulated losses at the end of the financial period | <u>(8,584,062)</u> | <u>(7,576,316)</u> |

Note 17. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 18. Related party transactions

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Group.

Parent entity

GRIDSERVE EH Limited is the immediate parent entity. The ultimate parent Company is GRIDSERVE Holdings Limited, a Company incorporated in the United Kingdom.

Note 19. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.