

Registered number: 10637338

**WEST MIDLANDS GRID STORAGE TWO LTD  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**



# **WEST MIDLANDS GRID STORAGE TWO LTD**

## **COMPANY INFORMATION**

---

**Directors**

Benjamin Guest  
Gareth Owen  
Stephen Beck

**Registered number**

10637338

**Registered office**

C/O Gresham House Asset Management Limited  
5 New Street Square  
London  
EC4A 3TW

**Independent auditor**

Blick Rothenberg Audit LLP  
16 Great Queen Street  
London  
WC2B 5AH

# **WEST MIDLANDS GRID STORAGE TWO LTD**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

---

The directors present their report and the financial statements for the year ended 31 December 2022.

### **Principal activity**

The principal activity of the Company is the supply of electricity.

### **Results and dividends**

The profit for the year, after taxation, amounted to £56,541 (2021 - loss £194,037).

### **Directors**

The directors who served during the year were:

Bozkurt Aydinoglu (resigned 30 June 2023)

Benjamin Guest

Gareth Owen

Stephen Beck

### **Directors' responsibilities statement**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **WEST MIDLANDS GRID STORAGE TWO LTD**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

---

### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### **Auditor**

The auditor, Blick Rothenberg Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 7 September 2023 and signed on its behalf.



**Stephen Beck**  
Director

# **WEST MIDLANDS GRID STORAGE TWO LTD**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST MIDLANDS GRID STORAGE TWO LTD FOR THE YEAR ENDED 31 DECEMBER 2022**

---

### **Opinion**

We have audited the financial statements of West Midlands Grid Storage Two Ltd (the 'Company') for the year ended 31 December 2022, which comprise the statement of income and retained earnings, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

## **WEST MIDLANDS GRID STORAGE TWO LTD**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST MIDLANDS GRID STORAGE TWO LTD (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022**

---

#### **Matters on which we are required to report by exception**

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act 2006 and applicable tax legislation.

## WEST MIDLANDS GRID STORAGE TWO LTD

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST MIDLANDS GRID STORAGE TWO LTD (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

---

Particular focus areas included the risk of fraud through management override of controls and the potential manipulation of future cashflows forecasts which are used in order for management to assess whether there is any required impairment to the carrying value of the assets. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Company for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; testing the appropriateness of journal entries and other adjustments; and assessing whether judgements made in making accounting estimates, particularly in relation to the future cashflows which are used in order for management to assess whether there is any required impairment to the carrying value of the assets, are indicative of potential bias.


There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Snook (senior statutory auditor)  
for and on behalf of  
**Blick Rothenberg Audit LLP**  
Chartered Accountants  
Statutory Auditor  
16 Great Queen Street  
London  
WC2B 5AH

Date: 8 September 2023

**WEST MIDLANDS GRID STORAGE TWO LTD**  
**STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	913,691	712,958
Cost of sales		(133,985)	(179,636)
<b>Gross profit</b>		<b>779,706</b>	<b>533,322</b>
Administrative expenses		(406,967)	(399,842)
<b>Operating profit</b>	5	<b>372,739</b>	<b>133,480</b>
Interest payable and similar expenses	7	(316,198)	(327,517)
<b>Profit/(loss) before tax</b>		<b>56,541</b>	<b>(194,037)</b>
Tax on profit/(loss)	8	-	-
<b>Profit/(loss) after tax</b>		<b>56,541</b>	<b>(194,037)</b>
Retained earnings at the beginning of the year		(1,119,858)	(925,821)
Profit/(loss) for the year		56,541	(194,037)
<b>Retained earnings at the end of the year</b>		<b>(1,063,317)</b>	<b>(1,119,858)</b>

There was no other comprehensive income in 2022 or 2021.


The notes on pages 9 to 16 form part of these financial statements.



**WEST MIDLANDS GRID STORAGE TWO LTD****BALANCE SHEET  
AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	9	2,472,043	2,764,106
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	177,079	196,880
Cash at bank and in hand		350,362	247,515
		<u>527,441</u>	<u>444,395</u>
Creditors: amounts falling due within one year	11	(4,062,791)	(4,328,349)
<b>Net current liabilities</b>		<u>(3,535,350)</u>	<u>(3,883,954)</u>
<b>Total assets less current liabilities</b>		<u>(1,063,307)</u>	<u>(1,119,848)</u>
<b>Net liabilities</b>		<u>(1,063,307)</u>	<u>(1,119,848)</u>
<b>Capital and reserves</b>			
Called up share capital	12	10	10
Profit and loss account		(1,063,317)	(1,119,858)
		<u>(1,063,307)</u>	<u>(1,119,848)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 September 2023



**Stephen Beck**  
Director

The notes on pages 9 to 16 form part of these financial statements.

# WEST MIDLANDS GRID STORAGE TWO LTD

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	56,541	(194,037)
<b>Adjustments for:</b>		
Depreciation of tangible assets	293,063	292,456
Interest payable	316,198	327,517
Decrease/(increase) in debtors	19,801	(63,903)
(Decrease)/increase in creditors	(31,756)	51,248
<b>Net cash generated from operating activities</b>	<b>653,847</b>	<b>413,281</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,000)	(21,940)
<b>Net cash from investing activities</b>	<b>(1,000)</b>	<b>(21,940)</b>
<b>Cash flows from financing activities</b>		
Repayment of other loans	(550,000)	(425,000)
<b>Net cash used in financing activities</b>	<b>(550,000)</b>	<b>(425,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>102,847</b>	<b>(33,659)</b>
Cash and cash equivalents at beginning of year	247,515	281,174
<b>Cash and cash equivalents at the end of year</b>	<b>350,362</b>	<b>247,515</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	350,362	247,515
	<b>350,362</b>	<b>247,515</b>

The notes on pages 9 to 16 form part of these financial statements.

# **WEST MIDLANDS GRID STORAGE TWO LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

---

### **1. General information**

West Midlands Grid Storage Two Limited (the 'Company') is a private limited liability company incorporated on 24 February 2017 and registered in England and Wales.

The registered address of the Company is C/O Gresham House Asset Management Limited, 5 New Street Square, London, EC4A 3TW.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

#### **2.2 Going concern**

Forecasts have been prepared that show the company is able to operate for at least 12 months from the date of approval of these financial statements. The directors have also made enquiries with the directors of the immediate parent undertaking, Gresham House Energy Storage Holdings plc, with regards to the repayment of the loan the company has with it. As detailed in note 11, the loan is repayable on demand of the lender. The directors understand that this will not be called unless the company has the ability to make the repayment. Accordingly, the directors consider it appropriate to prepare the financial statements on a going concern basis.

#### **2.3 Turnover**

Turnover comprises revenue recognised by the company in respect of stored electricity sold during the year, and related income, exclusive of Value Added Tax.

#### **2.4 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### **2.5 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

# WEST MIDLANDS GRID STORAGE TWO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

### 2. Accounting policies (continued)

#### 2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant and machinery	- 7 - 20 years
---------------------	----------------

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

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

#### 2.7 Financial instruments

##### (i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Other financial assets, including investments in equity instruments of entities which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is nominally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit and loss account.

##### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of

# **WEST MIDLANDS GRID STORAGE TWO LTD**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

---

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

#### **2.7 Financial instruments (continued)**

derivatives are recognised in profit or loss unless they are included in a hedging arrangement.

Financial liabilities are derecognised when the liability is extinguished, that is when the associated contractual obligation is discharged, cancelled or expires.

##### **(iii) Offsetting**

Financial assets and liabilities are offset and 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.

#### **2.8 Current and Deferred Taxation**

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

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

### **3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The directors, as part of their annual review of the impairment of fixed assets, have used estimations and future cashflows forecasts of the company to calculate any required impairment to the carrying value of the assets.

The directors also assess, based on estimated future costs, what the anticipated decommissioning outlays will be in relation to the assets. The directors have judged that the costs will not be material and therefore have not included a decommissioning provision in these financial statements.

# WEST MIDLANDS GRID STORAGE TWO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

### 5. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Tangible fixed assets - depreciation	293,063	292,456
Auditor's remuneration - audit	7,500	8,000
Auditor's remuneration - non-audit	3,500	3,000
Other operating lease rentals	15,000	15,000

### 6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	2021 No.
Employees	4	4

### 7. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	316,198	327,517
	316,198	327,517

### 8. Taxation

	2022 £	2021 £
Taxation on profit on ordinary activities	-	-

# WEST MIDLANDS GRID STORAGE TWO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit/(loss) on ordinary activities before tax	<u>56,541</u>	<u>(194,037)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	10,743	(36,867)
Effects of:		
Expenses not deductible for tax	537	537
Unprovided deferred tax	(11,280)	36,330
Total tax charge for the year	<u>-</u>	<u>-</u>

#### Factors that may affect future tax charges

The Company has carried forward tax losses net of accelerated capital allowances of £711,476 (2021: £769,471). The deferred tax asset at 25% of £177,869 (2021: £192,418) has not been recognised due to uncertainty of whether losses will be relieved to other group companies and its timing and use.

# WEST MIDLANDS GRID STORAGE TWO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 9. Tangible fixed assets

	Plant and machinery £
<b>Cost or valuation</b>	
At 1 January 2022	3,518,353
Additions	1,000
At 31 December 2022	<u>3,519,353</u>
<b>Depreciation</b>	
At 1 January 2022	754,247
Charge for the year on owned assets	293,063
At 31 December 2022	<u>1,047,310</u>
<b>Net book value</b>	
At 31 December 2022	<u><u>2,472,043</u></u>
At 31 December 2021	<u><u>2,764,106</u></u>

### 10. Debtors

	2022 £	2021 £
Trade debtors	5,793	89,581
Other debtors	48,180	48,180
Prepayments and accrued income	123,106	59,119
	<u><u>177,079</u></u>	<u><u>196,880</u></u>



# WEST MIDLANDS GRID STORAGE TWO LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

### 11. Creditors: Amounts falling due within one year

	2022 £	2021 £
Other loans	3,675,353	3,896,164
Trade creditors	33,928	46,789
Amounts owed to group undertakings	12	6
Other taxation and social security	20,150	24,597
Other creditors	-	9,500
Accruals and deferred income	333,348	351,293
	<u>4,062,791</u>	<u>4,328,349</u>

As at 31 December 2022 other loans represented amounts borrowed from Gresham House Energy Storage Holdings plc (GHESH), the parent company. The loan is unsecured and accrues interest at 8% per annum compounding on 31 December each year. The loan is repayable at the earlier of (i) written demand from the lender or (ii) 31 December 2030. Included within accruals and deferred income is £316,198 (2021: £329,189) in relation to accrued interest on this loan.

### 12. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 (2021 - 1) Ordinary shares of £10.00 each	<u>10</u>	<u>10</u>

### 13. Analysis of net debt

	At 1 January 2022 £	Cash flows £	Other non- cash changes £	At 31 December 2022 £
Cash at bank and in hand	247,515	102,847	-	350,362
Debt due within 1 year	(3,896,164)	550,000	(329,189)	(3,675,353)
	<u>(3,648,649)</u>	<u>652,847</u>	<u>(329,189)</u>	<u>(3,324,991)</u>

Other non-cash changes relate to the compounding of accrued interest.

## WEST MIDLANDS GRID STORAGE TWO LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 14. Commitments under operating leases

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

	2022 £	2021 £
Not later than 1 year	15,000	15,000
Later than 1 year and not later than 5 years	60,000	60,000
Later than 5 years	239,425	254,425
	<u>314,425</u>	<u>329,425</u>

#### 15. Related party transactions

The company applies FRS102 33.1A with regards to taking the exemption not to disclose transactions with other entities wholly owned within a group.

#### 16. Controlling party

The immediate parent undertaking is Gresham House Energy Storage Holdings plc. The ultimate parent undertaking is Gresham House Energy Storage Fund plc. There is no ultimate controlling party.