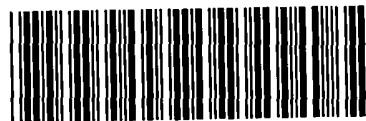


Company Registration No. 10861736 (England and Wales)

**SHOREDITCH ENERGY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

FRIDAY



\*AAD721YW\*

A22

17/09/2021

#40

COMPANIES HOUSE

## **SHOREDITCH ENERGY LIMITED**

### **COMPANY INFORMATION**

---

<b>Directors</b>	Mr M M Stein Mr A Goldin Mr S Ritter
<b>Company number</b>	10861736
<b>Registered office</b>	St Dunstan's House 201 Borough High Street London SE1 1JA
<b>Auditor</b>	Fortus South Limited 3 Richfield Place Richfield Avenue Reading Berkshire RG1 8EQ
<b>Business address</b>	St Dunstan's House 201 Borough High Street London SE1 1JA

---

## **SHOREDITCH ENERGY LIMITED**

### **CONTENTS**

---

	<b>Page</b>
Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4 - 6
Income statement	7
Statement of financial position	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 22

---

# **SHOREDITCH ENERGY LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The directors present the strategic report for the year ended 31 December 2020.

### **Review of the business**

#### **Principal Activity and future developments**

The principal activity of the company for the period under review was that of a holding company.

This is not anticipated to change in the near future.

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

As a holding company, the principle risk and uncertainty faced is the performance of its subsidiary.

Any dividend or increased funding requirements will be driven by the subsidiary, and therefore these risks are managed there.

For the same reasons, the Directors have not included the disclosure of any key performance indicators in the Directors report as these are managed by the subsidiary.

#### **Financial Risk Management**

The Company is subject to its own internal Risk management programme which seeks to limit any adverse impact on its financial performance.

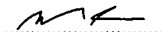
#### **Credit Risk**

As the Company does not enter into any trading transactions, all receivables will be held by its subsidiary.

#### **Financing**

The Company actively manages its finances to ensure that it has sufficient funds. It is the Directors understanding that its parent companies will continue to support the business to meet its needs.

On behalf of the board



Mr M M Stein

Director

3 AUGUST 2021

## SHOREDITCH ENERGY LIMITED

### DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

#### Principal activities

The principal activity of the company continued to be that of holding company.

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M M Stein

Mr T A Gilpin

(Resigned 9 October 2020)

Mr A Goldin

Mr T B Szakacs

(Resigned 9 October 2020)

Mr S Ritter

#### Supplier payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

#### Auditor

Fortus South Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

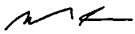
#### Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms 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 he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board



Mr M M Stein

Director

Date: August 3, 2021

## **SHOREDITCH ENERGY LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The directors are responsible 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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:

- properly select and apply accounting policies;
- 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 in IFRSs 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.

## SHOREDITCH ENERGY LIMITED

### INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF SHOREDITCH ENERGY LIMITED

---

#### Opinion

We have audited the financial statements of Shoreditch Energy Limited (the 'company') for the year ended 31 December 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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.

#### Opinions on other matters prescribed by the Companies Act 2006

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

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

## SHOREDITCH ENERGY LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SHOREDITCH ENERGY LIMITED

---

#### 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 strategic report and the directors' report.

We have nothing to report in respect of the following matters where 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 directors' responsibilities statement, 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.




# SHOREDITCH ENERGY LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SHOREDITCH ENERGY LIMITED

---

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.



Mark Rogers FCCA (Senior Statutory Auditor)  
For and on behalf of Fortus South Limited

Chartered Accountants  
Statutory Auditor

26/8/21  
.....

3 Richfield Place  
Richfield Avenue  
Reading  
Berkshire  
RG1 8EQ

## SHOREDITCH ENERGY LIMITED

### INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£	£
Administrative expenses		(424)	(502)
<b>Operating loss</b>		<b>(424)</b>	<b>(502)</b>
Investment revenues	6	4,550	-
Finance costs	7	(4,521)	-
<b>Loss before taxation</b>		<b>(395)</b>	<b>(502)</b>
Income tax expense	8	-	-
<b>Loss and total comprehensive income for the year</b>		<b>(395)</b>	<b>(502)</b>

The income statement has been prepared on the basis that all operations are continuing operations.


# SHOREDITCH ENERGY LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>Non-current assets</b>			
Investments	9	9,310,000	7,110,000
<b>Current assets</b>			
Trade and other receivables	11	3,472,196	67,711
Cash and cash equivalents		5,629	6,069
		3,477,825	73,780
<b>Current liabilities</b>			
Trade and other payables	13	3,404,557	117
<b>Net current assets</b>		73,268	73,663
<b>Net assets</b>		9,383,268	7,183,663
<b>Equity</b>			
Called up share capital	14	10,548,500	8,348,500
Retained earnings		(1,165,232)	(1,164,837)
<b>Total equity</b>		9,383,268	7,183,663

The financial statements were approved by the board of directors and authorised for issue on 3 August 2021 and are signed on its behalf by:

  
 .....  
 Mr M M Stein  
 Director

Company Registration No. 10861736

# SHOREDITCH ENERGY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2019		5,948,500	(1,164,335)	4,784,165
Year ended 31 December 2019:				
Loss and total comprehensive income for the year		-	(502)	(502)
Issue of share capital	14	2,400,000	-	2,400,000
Balances at 31 December 2019		8,348,500	(1,164,837)	7,183,663
Year ended 31 December 2020:				
Loss and total comprehensive income for the year		-	(395)	(395)
Issue of share capital	14	2,200,000	-	2,200,000
Balances at 31 December 2020		10,548,500	(1,165,232)	9,383,268

# SHOREDITCH ENERGY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	18		(469)		-
Interest paid			(4,521)		-
<b>Net cash outflow from operating activities</b>			(4,990)		-
<b>Investing activities</b>					
Purchase of subsidiaries		(2,200,000)		(2,400,000)	
Interest received		4,550		-	
<b>Net cash used in investing activities</b>			(2,195,450)		(2,400,000)
<b>Financing activities</b>					
Proceeds from issue of shares		2,200,000		2,400,000	
<b>Net cash generated from financing activities</b>			2,200,000		2,400,000
<b>Net (decrease)/increase in cash and cash equivalents</b>			(440)		-
Cash and cash equivalents at beginning of year			6,069		6,069
Cash and cash equivalents at end of year			5,629		6,069

## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1 Accounting policies

##### Company Information

Shoreditch Energy Limited is a private company limited by shares incorporated in England and Wales. The registered office is St Dunstan's House, 201 Borough High Street, London, SE1 1JA. The company's principal activities and nature of its operations are disclosed in the directors' report.

##### 1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Shoreditch Energy Limited is a subsidiary of Genie Energy UK Limited and the results of Shoreditch Energy Limited are included in the consolidated financial statements of Genie Energy Ltd which are available from 520 Broad Street, Newark, New Jersey, 07102.

##### 1.2 Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.3 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

The directors consider that the intangible assets held on the balance sheet have no value to the company and have therefore been written off to the profit and loss account.

##### 1.4 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 1 Accounting policies

(Continued)

##### 1.5 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

##### 1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.7 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### *Financial assets at fair value through profit or loss*

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

##### *Financial assets held at amortised cost*

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

(Continued)

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Financial assets at fair value through other comprehensive income**

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

##### **Impairment of financial assets**

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end 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 of the financial asset, the estimated future cash flows of the investment have been affected.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.8 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.



## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

(Continued)

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

---

#### 2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised Standards and Interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

IFRS 16 - Leases

IFRIC 23 - Uncertainty of income tax treatments

These changes are not expected to impact the company's financial statements.

#### Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IAS 1 - Presentation of financial statements

IAS 8 - Accounting policies, changes in accounting estimates and errors

IFRS 3 - Business combinations

#### Revised conceptual framework for financial reporting

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The company is currently assessing the impact of these new accounting standards and amendments. The company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability.

## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 3 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. 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 estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

##### Critical judgements

##### Valuation of intangible asset Development costs

The company capitalised its development costs incurred to 31 December 2017 as an intangible asset. The company undertakes an annual review of the fair value of intangible assets and at 31 December 2018 it considered that the development costs had a valuation of £nil and consequently the value was written down to that value.

##### Valuation of intangible asset Investments

The directors consider the value of the investment in the wholly owned subsidiary to be the fair value of shares and the operating licences held.

#### 4 Revenue

	2020 £	2019 £
Other significant revenue		
Interest income	4,550	-
	<u>4,550</u>	<u>-</u>

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was nil.

#### 6 Investment income

	2020 £	2019 £
Interest income		
Bank deposits	28	-
Other interest income	4,522	-
	<u>4,550</u>	<u>-</u>
Total interest revenue	<u>4,550</u>	<u>-</u>

# SHOREDITCH ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Total interest income for financial assets that are not held at fair value through profit or loss is £28 (2019 - £-).

### 7 Finance costs

	2020	2019
	£	£
Other interest payable	4,521	-

### 8 Income tax expense

	2020	2019
	£	£

The charge for the year can be reconciled to the loss per the income statement as follows:

	2020	2019
	£	£
Loss before taxation	(395)	(502)
Expected tax credit based on a corporation tax rate of 19.00% (2019: 19.00%)	(75)	(95)
Effect of expenses not deductible in determining taxable profit	-	95
Unutilised tax losses carried forward	75	-
Taxation charge for the year	-	-

### 9 Investments

	Current		Non-current	
	2020	2019	2020	2019
	£	£	£	£
Investments in subsidiaries	-	-	9,310,000	7,110,000

The company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 9 Investments

(Continued)

##### Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

Financial assets	Carrying amount		Fair value	
	2020	2019	2020	2019
	£	£	£	£
Investment in subsidiaries	9,310,000	7,110,000	9,310,000	7,110,000

## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 10 Subsidiaries

The company acquired a 100% share in a dormant company holding industry accreditation licenses on 24 August 2017, the consideration for this purchase was £100,000. Further shares were issued and purchased for consideration of £4,610,000 during 2018, £2,400,000 during 2019 and £2,200,000 in 2020.

The details at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Orbit Energy Limited	St Dunstan's House, 201 Borough High Street, London, England, SE1 1JA	Provision of energy services	Ordinary	100.00 -

# SHOREDITCH ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Trade and other receivables

	2020 £	2019 £
Amounts owed by subsidiary undertakings	3,472,196	67,711

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

### 12 Trade receivables - credit risk

#### Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

### 13 Trade and other payables

	2020 £	2019 £
Trade payables	36	117
Amount owed to parent undertaking	3,404,521	-
	<u>3,404,557</u>	<u>117</u>

### 14 Share capital

	2020 Number	2019 Number	2020 £	2019 £
<b>Ordinary share capital</b>				
Issued and fully paid				
Ordinary shares of £1 each	10,548,500	8,348,500	10,548,500	8,348,500

The company has one class of ordinary shares which carry no right to fixed income.

#### Reconciliation of movements during the year:

	Ordinary Number
At 1 January 2020	8,348,500
Issue of fully paid shares	2,200,000
At 31 December 2020	<u>10,548,500</u>

On 25 June 2020 there was an allotment of 1,200,000 £1 ordinary shares.

On 23 November 2020 there was a further allotment of 1,000,000 £1 ordinary shares.

## SHOREDITCH ENERGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 15 Capital risk management

The company is not subject to any externally imposed capital requirements.

#### 16 Events after the reporting date

The impact on the company subsequent to the balance sheet date as a result of the steps taken by the Government throughout 2020, and the start of 2021, to control the Covid-19 pandemic is uncertain. This is the case for the majority of businesses in the UK and around the World.

The Directors do not consider that the Covid-19 pandemic has had a material impact on the company's financial position at the balance sheet date and thus no adjustments have been made to the carrying values of the company's assets and liabilities as at 31 December 2020.

#### 17 Related party transactions

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2020	2019
	£	£
Parent company	3,404,521	-

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2020	Amounts owed by related parties 2019
	Balance £	Balance £
Subsidiaries	3,472,196	67,711
	<u>3,472,196</u>	<u>67,711</u>

No guarantees have been given or received.



# SHOREDITCH ENERGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>18 Cash absorbed by operations</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss for the year after tax	(395)	(502)
<b>Adjustments for:</b>		
Finance costs	4,521	-
Investment income	(4,550)	-
<b>Movements in working capital:</b>		
(Increase)/decrease in trade and other receivables	(3,404,485)	502
Increase in trade and other payables	3,404,440	-
<b>Cash absorbed by operations</b>	<b>(469)</b>	<b>-</b>