

Registration number: 01589961

# Renewable Energy Systems Limited

Annual Report and Financial Statements

for the Year Ended 31 October 2023

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## Renewable Energy Systems Limited

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## Renewable Energy Systems Limited

### Company Information

<b>Directors</b>	Mr D Hearth Mr I Hunter Mr E Medina Sanchez Ms L Whitford Ms P Murphy Ms M Irvin Mr H N Brandt
<b>Company secretary</b>	Mr D Hearth
<b>Registered office</b>	Beaufort Court Egg Farm Lane Kings Langley Hertfordshire WD4 8LR
<b>Bankers</b>	Lloyds Bank PO Box 72 Bailey Drive Gillingham Business Park Gillingham Kent ME8 0LS
<b>Auditor</b>	Deloitte LLP 2 New Street Square London United Kingdom EC4A 3BZ

## Renewable Energy Systems Limited

### Strategic Report for the Year Ended 31 October 2023

The directors present their strategic report for the year ended 31 October 2023.

#### Principal activity

The principal activity of the Company is the provision of development, engineering, technical, procurement, project management and environmental services in relation to the development, construction, operation and maintenance of renewable energy projects and associated infrastructure.

The Company also provides engineering, technical and managerial support services to other companies in the Renewable Energy Systems Holdings Limited Group ("the Group").

#### Fair review of the business

The Company's vision is to create a future where everyone has access to affordable zero carbon energy. One of the principal ways in which the Company plans to achieve this is through its mission to innovate to reduce cost, create value and sustainable growth. Delivery of our vision and mission is underpinned by our values of Passion, Accountability, Collaboration and Excellence. These values define the Company's culture and enable its vision. The Directors actively promote the values, vision and culture of the Company and use them to create a motivational environment for all employees.

The Company continues to provide its project development, engineering, procurement, construction, operation and maintenance services to the onshore wind, offshore wind, solar PV, energy storage and green hydrogen industries. This includes wind and solar farms and battery storage systems in development, construction and operation in the United Kingdom and Ireland.

The Company provides engineering, technical and managerial services to support the growth of the Group. The Company holds investments in the Group's worldwide interest across wind energy, solar energy, storage systems, distributed energy and transmission.

The Company continues to see increased opportunities in the renewable energy market following a growing consensus of the need to move to renewables to reduce global emissions. Government and corporate commitments to reduce greenhouse gas emissions in accordance with global agreements (such as COP 28 in Dubai) will require significant deployment of renewables and is a strong growth driver for the business.

The requirements for management of these renewable assets and operations & maintenance activity will grow as the installed base of renewables increases. The Company continues to focus on support services for these renewable assets and is growing this business by investing in technology and digital services offerings to maximise value to the owners of operational assets and through acquisitions to increase its market share. The Company demonstrated its growth intentions in support services during the current year by acquiring Integral Management Future Renewables S.L ("IM Future"), a Spanish based O&M company and Anemo Analytics ApS ("Anemo Analytics"), a Danish technology company that supports technical asset management.

Furthermore, during the year, the Company started the process of acquiring the renewable services division of Ingeteam Corporación S.A. that provides O&M services globally. This acquisition completed post year-end and increases the Company's market share and its support services business.

## Renewable Energy Systems Limited

### Strategic Report for the Year Ended 31 October 2023

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

	Unit	2023	2022
Turnover	£'000	78,942	86,858
Loss after tax	£'000	(11,580)	(62,344)

Net assets at 31 October 2023 were £589.9 million (2022: £630.2 million). Cash in bank and in hand at 31 October 2023 totalled £138.5 million (2022: £182.1 million).

The decrease in net assets is driven by the loss after tax of £11.5 million and other comprehensive losses of £31.4 million. The decrease in cash in bank and in hand is primarily driven by the continued investment in acquisitions of £19.6 million, loans advanced to related parties of £79.8 million, defined benefit pension contributions made of £35.0 million, offset by a divestment in corporate bonds of £61.1 million.

The reduction in losses in the year was due to a prior year impairment of an investment of £82.0 million, a current year gain on merger of subsidiary assets and liabilities of £5.4 million and a reversal of an intercompany provision booked for £4.8 million in the current year following the full repayment of an intercompany receivable. Offsetting this reduction in losses was a large increase in administrative expenses. Within administrative expenses, the prior year included a £22.7 million credit for currency gains and losses due to movements in market conditions. An adverse movement in the market in current year resulted in a £3.3 million equivalent charge in the current year. Additionally, higher professional fees were incurred in the current year due to planning for the post year end acquisitions and additional expenditure was incurred on our new ERP system.

The business has reduced the volume of construction work undertaken in the current year and has instead focused on managing the construction on behalf of clients for a fee under a Construction Management Agreement. This has reduced turnover for construction services in the year but has driven an increase in profits for this service, with losses of £1.1 million made in the prior year and profits of £1.3 million made in the current year.

There was a period of growth within the Support Services division where turnover increased from £37.3 million to £44.2 million, bringing in additional profits of £4.1 million. This was driven by organic growth in the business. The investment made in the year in both Integral Management Future Renewables S.L ("IM Future"), a Spanish based O&M company and Anemo Analytics ApS ("Anemo Analytics"), a Danish technology company that supports technical asset management demonstrates the companies growth intentions in support services. These entities are separate legal entities and their results are consolidated in the immediate parent company Renewable Energy Systems Holdings Limited financial statements.

The Company has continued to invest in its development projects in the year, with expenditure on development projects increasing from £12.9 million in the prior year to £17.7 million in the current year. The Company policy is to expense the development expenditure when incurred until there is reasonable certainty of a project progressing to sale, contributing to the losses made in the year. These projects when ready for market will be sold in future years and revenue recognised when the development site is transferred to the customer, in line with contractual obligations.

In addition, the Company monitors a number of financial and non-financial Key Performance Indicators ("KPIs") by value stream: wind, solar, storage, asset management and operations and maintenance. These KPIs focus on the following areas: safety, people, sustainability, clients and operations and are tracked on a monthly basis, with accountability delegated to responsible Accountable Lead Managers.

The Company completed one developed wind project totalling 25 MW, two developed solar projects totalling 100 MW and two storage projects totalling 50 MW.

## Renewable Energy Systems Limited

### Strategic Report for the Year Ended 31 October 2023

#### Principal risks and uncertainties

The directors believe the principal risks and uncertainties facing the Company continue to arise from the unpredictable duration of planning processes, health and safety risks, contracting risk, uncertainty associated with future wholesale electricity prices and credit risk.

The unpredictable duration of local permitting processes necessary to develop sites is a risk to the Company. This risk is mitigated by having a sufficient pipeline of development projects and close engagement with local stakeholders to ensure any concerns are appropriately addressed. Permitting is recognised as a key barrier to deployment of renewables and industry bodies and governments are working on streamlining processes to meet decarbonisation commitments.

The Company faces a variety of risks to health and safety across each business stream. The Company regards this risk with high importance and have a dedicated health and safety team who are responsible for mitigating and monitoring risks and ensuring compliance with the Company's policies and local regulations. Health and safety metrics are key performance indicators of the Company.

The Company is exposed to risks in its construction and support services activities, that could impact on the delivery to clients on time, on budget and to the required specification. Rigorous policies and procedures are in place for mobilisation, monitoring and management of contract performance and maintains a focus on identifying and reporting risks at every stage of the contract. Regular contract reviews are undertaken at several levels within the business.

Development project sales are impacted by changes in the long term forecasted electricity price which have been significantly impacted by the war on Ukraine and energy security in Europe. This risk is monitored by the Company using appropriate project and risk reporting at project and Board level, with appropriate actions taken to minimise risks and by diversifying those activities by both geographical location and technology.

The transition to net zero carbon emissions will attract larger competitors and new entrants, who will be able to benefit from procurement scale and balance sheet strength. Recently we have seen large oil and gas majors significantly increasing their investment in the sector. The Company focuses on our strengths including flexibility, expertise and technical and engineering innovation which are considered industry leading.

#### Climate related risks

As a renewable energy company, the Company is deeply aware of the implications of climate change, from evolving policies to new low carbon technologies and enhanced physical risks. For over 40 years, addressing climate-related opportunities and risks has been, and continues to be, integral to how the Company conducts business and is embedded in its vision and Company climate related risks include extreme weather events and chronic changes to weather patterns increasing demand for operations and maintenance activity, delaying construction projects, increasing the cost of insurance premiums, and reducing the availability of insurance products. Additionally, the energy transition will create a high demand for renewable energy but with potential associated risks around a supply-demand imbalance of key materials and increasing grid connections queues and costs delaying deployment.

## Renewable Energy Systems Limited

### Strategic Report for the Year Ended 31 October 2023

#### Director responsibilities

The Directors welcome the reporting requirements in relation to their duty under section 172 of the Companies Act 2006 and confirm they have acted in a way, in good faith, that would most likely promote the success of the Company for the benefit of its members as a whole, based on information available to them at the time. In doing so, directors have given regard to, amongst other matters, the:

- likely consequences of any decisions in the long-term;
- interest of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

The Company's vision and values are a fundamental foundation which underpins the actions taken and decisions made not just by directors, but by all our employees.

#### Section 172 statement

For the year ended 31 October 2023, the Company has applied the Wates Corporate Governance Principles for Large Private Companies. The Company has included the additional Corporate Governance disclosures within the Strategic Report and the Directors' Report.

#### *Purpose and leadership*

The Directors are responsible for effective decision-making with independent oversight. A Stage Gate Process has been developed to provide governance over key decision making. This process provides transparency and sets delegated approval limits to provide greater efficiency in the decision making process.

The Stage Gate Process mirrors the Company's values:

Passion - Authorising great projects and transactions to help achieve the Company's Mission

Accountability - Empowering people to ensure that decisions are made at the right level and not the highest level, with the right information, and involving the right expertise

Collaboration - Engaging different parts and levels of the organisation with the objective of delivering value for customers and for the Company

Excellence - The Company strives for excellence by talking to clients, understanding what they need and surpassing their expectations.

To support the decision making process, RES has a Major Transactions Committee (MTC), a subset of the Group Executive Committee, which approves key transactions, acquisitions and material commitments within the Company. The MTC is comprised of the Group Chief Executive Officer, Chief Financial Officer, Group General Counsel, Chief Risk & Supply Chain Officer and, depending on the business unit in which the opportunity arises, can also include representation from the regional Chief Executive Officers.

## Renewable Energy Systems Limited

### Strategic Report for the Year Ended 31 October 2023

#### Section 172 statement (continued)

##### *Opportunity and risk*

The Directors are responsible for promoting the long-term sustainable success of the Company, identifying opportunities and establishing oversight for the identification and mitigation of risks.

The Directors promote and oversee the long-term sustainable success of the Company through the governance around key decisions with the established MTC described above and through five-year strategic forecasts prepared at business unit level and reviewed by the Group Executive Committee annually. The nature of the business also lends itself to sustainable success as the development pipeline requires investment several years in advance of when a sale is expected to be made. Therefore, the success of the Company is made over a long-term period rather than through short-term gains.

The Board of Directors review the key risks to the Company, described within the Strategic Report, through a Group Risk Report, which is updated by the assigned risk owners and presented to the Group Executive Committee quarterly. This process is managed by the Chief Risk & Supply Chain Officer. As well as reviewing and updating existing risks, the Company also reviews its business and identifies any new risks that may have an impact on the business, which are then added to the Group Risk Report.

The Company's key business risks are discussed within the principal risks and uncertainties section of the Strategic Report.

##### *Board composition*

In each country in which RES operates, there is a local management team. Depending on the value stream and location, each business unit is allocated one of three areas: Americas, EMEA (Europe and Australia Construction and Development), and Support Services. Each area has a CEO who is also a member of the Group Executive Committee. On a periodic basis, Group Executive Committee members attend each area's board meetings to provide more oversight to country specific matters.

The Group Executive Committee report to the Shareholder Committee who provide independent governance, challenge and oversight.

Further information regarding the composition of the Board is disclosed within the Directors' report under the heading 'Directors'.

##### *Remuneration*

The Company is committed to executive remuneration structures which are aligned to the Company's culture and values, promoting the long-term sustainable success of the business and the interest of the Company's shareholders. The Company's policy is to provide appropriate and fair levels of remuneration at a level which attracts and retains the best talent. To ensure our people act in the best interest of the Company and to motivate and retain the key senior talent, the Company has a Long Term Incentive Plan, linked to the consolidated RES performance. The Company's Bonus Plan, a Short Term Incentive Plan which all employees are eligible for, is based on different elements, including local Business Unit performance, the consolidated RES performance, health and safety performance and personal performance. Remuneration changes and bonuses require the approval of the Remuneration Committee, which is comprised of members of the Group Executive Committee. The remuneration of the Group Executive Committee is approved by RES' CEO and Chair utilising external benchmarks where required.

## Renewable Energy Systems Limited

### Strategic Report for the Year Ended 31 October 2023

#### Section 172 statement (continued)

##### *Stakeholder relationships and engagement*

For over 40 years, the RES group has been leading efforts to create a future where everyone has access to affordable zero carbon energy. Sustainability lies at the core of the Company's business activities and values. The Company continues to build a culture that allows it to integrate sustainability into every part of its day-to-day operations and beyond and have a positive impact on the lives of its people, and treat fairly the stakeholders and communities close to its projects.

The Company's sustainability agenda is to power positive change by ensuring that its operations, products and services make a net positive contribution to society and the environment. This agenda is supported by principles in three core areas:

- Business - position the Company for sustainable growth by combining long-term strategic thinking with focused short-term action, to create value for all our stakeholders.
- Environment - manage the Company's activities to maximise the environmental benefits of the Company's projects and business while operating in compliance or exceeding environmental regulations.
- Social - provide a safe and healthy work environment, which is diverse and inclusive, encourages development of our people and creates opportunities to positively contribute to our stakeholders and the wider community.

For more information, please refer to our sustainability report - the Power for Good report, which can be found on RES' website.

A core activity of the Company and a good example of long-term planning with consideration for the stakeholders is the investment in the Company's development pipeline. Once a development site for a wind farm, solar farm or battery storage facility has been approved internally for investment, a wide variety of stakeholders are consulted prior to construction. Key stakeholders include landowners, local communities, offtakers, local councils and planning committees, power infrastructure stakeholders and project partners. The Company works with the local community to provide local employment. The Company assesses the impact to the local natural environment of any development and works with specialists to minimise any net detrimental impact when considering the construction of one of the Company's renewable energy assets. Without the support of the local community, the development is unlikely to be a success therefore consulting with relevant stakeholders is essential.

## **Renewable Energy Systems Limited**

### **Strategic Report for the Year Ended 31 October 2023**

#### **Energy and carbon report**

As a renewable energy company, the Company is deeply aware of the implications of climate change, from evolving policies to new low-carbon technologies and enhanced physical risks. For over 40 years, addressing climate-related opportunities and risks has been, and continues to be, integral to how the Company conducts business and is embedded in its vision and company strategy.

In the last financial year, the Company avoided emissions of 1.2 million tonnes of carbon dioxide annually through its operations in construction and development in the UK.

The Company's definition of net zero emissions means that its business activity will not cause or result in the net release of greenhouse gases into the atmosphere. The Company recognises the urgency of the Climate Crisis and are on a journey to becoming even greener. The Company has aligned to the Science Based Target Initiative. This initiative champions the adoption of "science-based" greenhouse gas emission reduction targets in-line with what the latest climate science says is necessary to meet the goals of the Paris Agreement - to limit global warming to well-below 2°C above pre-industrial levels and pursue limiting warming to 1.5°C. This net zero strategy is strongly aligned to the Company's vision. Following the completion of our FY 2023 financial year we have had RES' near and long-term emissions reduction targets approved by the Science Based Target initiative.

For this financial year, we have collected our full scope emissions data from across all our regions according to the Greenhouse Gas Protocol, building upon our FY 2022 baseline year emission calculations. In FY 2024, we will continue to formulate our net zero roadmap to reduce our emissions in line with our approved Science Based Targets.

On our route to net zero, our priority is to focus on our short-term and long-term emissions reduction strategies. As a beyond value chain mitigation approach, we may still need carbon mitigation activities to remove unavoidable residual emissions in our operations alongside working towards value chain decarbonisation.

The Company have accreditation to ISO 14001, the environmental management system standard. The Company has recognition for its asset management services with the ISO 55001 certification. This ISO 55001 certification reflects the Company's capabilities in developing an active approach to lifecycle asset management.

**Renewable Energy Systems Limited**  
**Strategic Report for the Year Ended 31 October 2023**

**Energy Use, Emissions and Intensity Metrics**

Data reported for the Streamlined Energy and Carbon Reporting requirements are quoted below.

	UK&I	
	FY2023	FY2022
Scope 1 emissions*	79 tCO <sub>2</sub> e	95 tCO <sub>2</sub> e
Scope 2 emissions (location-based approach)	86 tCO <sub>2</sub> e	87 tCO <sub>2</sub> e
Scope 2 emissions (market-based approach)	7 tCO <sub>2</sub> e	26 tCO <sub>2</sub> e
Energy use	902,202 kWh	967,977 kWh
Other Scope 3 emissions – employee business travel	1,041 tCO <sub>2</sub> e	573 tCO <sub>2</sub> e
Total gross emissions based on the above**	1,127 tCO <sub>2</sub> e	694 tCO <sub>2</sub> e
Total carbon intensity ratio (emissions/UK&I revenue)	12.1 tCO <sub>2</sub> e/£m	5.1 tCO <sub>2</sub> e/£m

\* Includes emissions from stationary combustion and refrigerants located in RES UK&I facilities. RES do not have any owned fleet in UK&I and therefore all business travel related emissions are reported within Scope 3.

\*\* Includes market-based Scope 2 emissions

## Renewable Energy Systems Limited

### Strategic Report for the Year Ended 31 October 2023

RES has seen organic growth across the business in FY 2023, which alongside RES' acquisitions have resulted in a small increase in our emissions over this period compared to the previous financial year. In addition, we have also increased the rigour and depth of our emission data collection processes.

#### Energy Efficiency Action

The Company was an early adopter of energy efficiency actions with its environmentally friendly head office building incorporating many examples of renewable energy generation, sustainable design techniques and energy efficiency. The Company has a sustainable approach to office spaces and has objectives to source renewable power at our managed sites.

The Company also recognises the importance of electric vehicles (EVs) in decarbonising transport emissions and has installed additional EV chargers at various offices, to support and encourage employee and visitor use of EVs. The Company offers a cycle to work scheme and EV car scheme to support low carbon commuting for its people.

#### Methodologies


The Company defines its organisational boundary according to the financial control approach. The reporting period is aligned with our financial year. Data has been collected in accordance with the standards set out by the Greenhouse Gas Protocol. We have sought to reduce data uncertainties in our reported figures where practical.

#### Non-financial and sustainability information

##### Environmental matters

The Company engaged external climate risk experts to align and support climate related disclosure. The Company will include further information on its climate risk and opportunity identification process and outputs within the FY2023 Sustainability Report, which will be published on RES' website later this year.

Approved and authorised by the Board on 3 July 2024 and signed on its behalf by:

DocuSigned by:  
  
A58B8B34FA024D.....  
Mr H N Brandt  
Director

## Renewable Energy Systems Limited

### Directors' Report for the Year Ended 31 October 2023

The directors present their report and the audited financial statements for the year ended 31 October 2023.

#### **Directors of the Company**

The directors who held office during the year, and up to the date of signing this report unless otherwise stated, were as follows:

Mr D Hearth - Company secretary and director

Mr I Hunter

Mr C Marsh (resigned 6 April 2023)

Mr E Medina Sanchez

Ms R Ruffle (resigned 31 July 2023)

Mr R Russell (resigned 30 April 2024)

Ms L Whitford

Ms P Murphy (appointed 14 July 2023)

Ms M Irvin (appointed 19 April 2023)

The following director was appointed after the year end:

Mr H N Brandt (appointed 30 April 2024)

#### **Dividends**

During the year the Company paid an interim dividend of £nil, £nil per share, (2022: £79,000,000). The directors do not recommend the payment of a final dividend (2022: £nil).

Quarterly dividends totalling £671,000 (2022: £74,000) were received from The Renewables Infrastructure Group ("TRIG"), along with a scrip issue of £nil (2022: £129,000).

Dividends of £125,000 (2022: £nil) were received from White Newco B Limited.

Dividends of £890,000 (2022: £nil) were also received from Renewable Energy Centre Limited.

#### **Financial risk management**

##### *Objectives and policies*

Policies are in place to limit where possible the Company's risk to liabilities incidental to the Company's main operating activities.

## **Renewable Energy Systems Limited**

### **Directors' Report for the Year Ended 31 October 2023**

#### ***Currency risk, credit risk and liquidity risk***

The Company's activities expose it to a number of financial risks including currency risk, credit risk and liquidity risk.

##### **(i) Currency risk**

Exposure to foreign currency movements from operating activities is hedged through the use of forward foreign exchange contracts. The Company seeks to hedge intra-Group borrowings to the trading cash flows that service these borrowings, by lending to subsidiaries in currencies other than Pounds Sterling.

##### **(ii) Credit risk**

The Company's policy is to limit counterparty exposures by setting credit limits for each counterparty, where possible by reference to published credit ratings.

##### **(iii) Liquidity risk**

Cash forecasts identifying the liquidity requirements of the Company are produced monthly. These are reviewed by the Board to ensure that sufficient financial facilities are available for at least the following twelve month period.

#### **Employment of disabled persons**

In dealing with disabled persons, the Company acts in accordance with its Diversity and Inclusion policy which specifies that employees with disabilities (including those who have become disabled whilst in the Company's employment) will receive fair treatment and be considered according to their ability to do the job, following reasonable adjustments where appropriate. Decisions on recruitment, selection, training, promotion and career management are based on objective and job-related criteria.

## **Renewable Energy Systems Limited**

### **Directors' Report for the Year Ended 31 October 2023**

#### **Employee involvement**

The Company's employees are critical to its current and future success. Nothing is more important to the Company than making sure that everyone goes home safe and healthy every day. As a key strategic objective, the Company's North Star is zero harm with the goal of targeting world-class safety performance.

The Company believes that diverse, talented and creative teams add value to the business by enabling it to respond positively and flexibly to changes in competitive domestic and international markets. The Directors continue to promote and support diversity and inclusion, valuing the talent of all our staff and ensuring that we can compete in attracting, retaining and developing high calibre employees with wide-ranging experience and abilities.

A key tool is the creation of the "RESpect" initiative, which is the Company's commitment to embrace diversity and create an inclusive culture that is fair to all. As an integral part of this, the Company are proud to support five employee-led Affinity Networks covering gender, race, disability, age, and sexual orientation and gender identity. These are groups of people from across the Company united in their passion for making our workplace more inclusive. They help build a common understanding of the different challenges and barriers that under-represented groups may experience and work to address these, powering change for employees and wider society.

Information affecting the Company's employees is communicated using a combination of methods including self-service intranet, email, team meetings and individual consultation. The Company performs "pulse surveys" to receive feedback from employees on key issues which may be impacting them. A Company-wide bonus scheme is in operation to enable employees to share in the success and to recognise their efforts in contributing to that success.

Information affecting the performance of the Company is provided to employees through quarterly "town hall" updates in each region and bi-annual performance updates given by the Group Executive team.

## **Renewable Energy Systems Limited**

### **Directors' Report for the Year Ended 31 October 2023**

#### **Diversity and inclusion**

The Company believes that diverse, talented and creative teams add value to the business by enabling it to respond positively and flexibly to changes in competitive domestic and international markets. The Directors continue to promote and support diversity and inclusion, valuing the talent of all our staff and ensuring that we can compete in attracting, retaining and developing high calibre employees with wide-ranging experience and abilities.

A key tool is the creation of the “RESpect” initiative, which is the Group’s commitment to embrace diversity and create an inclusive culture that is fair to all. As an integral part of this, RES are proud to support five employee-led Affinity Networks covering gender, race, disability, age, and sexual orientation and gender identity. These are groups of people from across RES united in their passion for making our workplace more inclusive. They help build a common understanding of the different challenges and barriers that under-represented groups may experience and work to address these, powering change for RES employees and wider society.

## **Renewable Energy Systems Limited**

### **Directors' Report for the Year Ended 31 October 2023**

#### **Stakeholder relationships and engagement**

For 40 years, the Company has been leading efforts to create a future where everyone has access to affordable zero carbon energy.

Sustainability lies at the core of the Company's business activities and values. The Company continues to build a culture that allows it to integrate sustainability into every part of its day-to-day operations and beyond. This is also about having a positive impact on the lives of its employees, stakeholders and communities close to its projects.

The Company's sustainability agenda is to power positive change by ensuring that its operations, products and services make a net positive contribution to society and the environment. This agenda is supported by principles in three core areas:

- Business - position the Company for sustainable growth by combining long-term strategic thinking with focused short-term action, to create value for all our stakeholders
- Environment - manage activities to maximise the environmental benefits of our projects and our business while operating in compliance or exceeding environmental regulations
- Social - provide a safe and healthy work environment, which is diverse and inclusive, encourages employee development and creates opportunities to positively contribute to our stakeholders and the wider community

For more information, please refer to our sustainability report - the Power for Good report, which can be found on the Group's website.

A core activity of the Company and a good example of long term planning with consideration of stakeholders is the investment in the Company's development pipeline. Once a development site for a windfarm, solar farm or battery storage facility has been approved internally for investment, a wide variety of stakeholders are consulted prior to construction. Key stakeholders include landowners, local communities, offtakers, local councils and planning committees, power infrastructure stakeholders and project partners. The Company works with the local community to provide local employment and prioritises local suppliers when possible. The Company assesses the impact to the local natural environment of any development and works with specialists to ensure there is no detrimental impact when considering the construction of one of the Company's renewable energy assets. Without the support of the local community, the development is unlikely to be a success therefore consulting with these stakeholders is essential.

#### **Future developments**

Further information regarding future developments are disclosed in the Strategic Report.

## **Renewable Energy Systems Limited**

### **Directors' Report for the Year Ended 31 October 2023**

#### **Events after the reporting period**

On 1 March 2024 the Company completed the acquisition of Ingeteam S.A.'s renewable O&M services division for initial consideration of EUR 82.3 million (£70.4 million at the March 2024 GBP:EUR rate 1:1.1685). The agreement expands the wider RES group operations to 24 markets and makes it the world's largest independent provider of renewable energy services. The total consideration payable and fair value of the net assets and liabilities acquired are not yet determined due to the proximity of the acquisition to the Company's year end and the acquisition completion accounts exercise has not been finalised.

Post year end the Company provided additional loans to related parties totalling £20.0 million in January 2024 and received proceeds totalling £39.9 million from related party loans which were cancelled and repaid in March 2024.

Post year end, in January 2024, the Company declared an interim dividend of £0.148 per ordinary share, equating to a total cost of £6.3 million for the 42,801,000 shares in issue, which was paid to the immediate parent and sole shareholder Renewable Energy Systems Holdings Limited. In April 2024, the Company declared a further interim dividend of £1.519 per ordinary share, equating to a total cost of £65.0 million for the 42,801,000 shares in issue, which is payable to the immediate parent and sole shareholder Renewable Energy Systems Holdings Limited and added to the intercompany loan payable. In June 2024, the Company declared a further interim dividend of £2.453 per ordinary share, equating to a total cost of £105.0 million for the 42,801,000 shares in issue, which is payable to the immediate parent and sole shareholder Renewable Energy Systems Holdings Limited and added to the intercompany loan payable.

#### **Research and development**

The Company continues to invest in developing wind, solar, green hydrogen and battery storage sites across its core markets, expensing development costs until there is sufficient certainty that the project is economically viable and construction is able to commence. The Company has a leading position in the energy storage market globally and has invested resources in creating a platform ("RESolve") which controls the operational performance of the battery, optimising the service provided to clients. The Company will continue to invest in this platform as the storage market is expected to grow due to its role as an enabling technology to facilitate greater deployment of intermittent wind and solar energy generation. The Company continues to invest in several initiatives to enable continuing reductions in the levelised cost of renewable energy.

## Renewable Energy Systems Limited

### Directors' Report for the Year Ended 31 October 2023

#### Going concern

The Company's ability to continue as a going concern is assessed in conjunction with the Group's ability to continue as a going concern. The Company's viability is dependent upon the Group's ability and willingness to provide ongoing funds for working capital needs.

The Group has confirmed to the directors that it will not demand repayment of existing unsecured intercompany loans such that insolvency would result, and will continue to provide financial support to enable the Company to meet its liabilities as they fall due for the foreseeable future, in particular for a period of at least 12 months from the date of signing this annual report and financial statements.

The directors have considered the Group's cash flow forecast for the 12 months from the date of signing these financial statements. The directors of the Company are satisfied after appropriate consultation with the directors of the Group, and review of forecasts and projections, and taking account of reasonable possible changes in trading performance and current funds available, that the Company is able to operate for at least 12 months from the signing of this annual report and financial statements. For this reason the directors believe that the Company has adequate resources to continue in operational existence and therefore it is appropriate that the Company continues to adopt the going concern basis in preparing this annual report and financial statements.

#### Directors' liabilities

The Company has made no qualifying third party indemnity provisions for the benefit of its directors.

#### Auditor

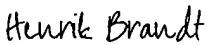
Each of the persons who is a director at the date of approval of this report confirms that:

- 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.

The auditor Deloitte LLP has expressed its willingness to continue in office as auditor and appropriate arrangements have been made for it to be deemed reappointed as Auditor under section 487(2) of the Companies Act 2006.

Approved and authorised by the Board on 3 July 2024 and signed on its behalf by:

DocuSigned by:  
  
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Mr H N Brandt  
Director

## Renewable Energy Systems Limited

### Statement of Directors' Responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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.

## Renewable Energy Systems Limited

### Independent Auditor's Report to the Members of Renewable Energy Systems Limited

#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements of Renewable Energy Systems Limited (the "Company"):

- give a true and fair view of the state of the Company's affairs as at 31 October 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and Loss Account,
- the Statement of Comprehensive Income,
- the Balance Sheet,
- the Statement of Changes in Equity, and
- the related notes 1 to 31.

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).

##### 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 Financial Reporting Council's (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 director's 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 original financial statements were 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.

## **Renewable Energy Systems Limited**

### **Independent Auditor's Report to the Members of Renewable Energy Systems Limited**

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.

#### **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 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.

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

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

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

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

## **Renewable Energy Systems Limited**

### **Independent Auditor's Report to the Members of Renewable Energy Systems Limited**

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included health & safety regulations, data protection laws and environmental legislation.

We discussed among the audit engagement team including relevant specialists such as tax, valuations and pensions regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas:

- Revenue recognition for development sales.

Our specific procedures performed to address them are described below:

- Agreed contract value to signed agreements;
- Agreed cash receipts to bank statements;
- Held meetings with senior project personnel and management; and
- Challenged the recognition of contingent amounts and assessed compliance with necessary performance obligations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **Report on other legal and regulatory requirements**

##### **Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

## Renewable Energy Systems Limited

### Independent Auditor's Report to the Members of Renewable Energy Systems Limited

In the light of our 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.

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


Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### Use of our report

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

DocuSigned by:  
  
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Darren Longley FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

3 July 2024

## Renewable Energy Systems Limited

### Profit and Loss Account for the Year Ended 31 October 2023

			(As restated)
	Note	2023 £ 000	2022 £ 000
Turnover	4	78,942	86,858
Cost of sales		<u>(67,516)</u>	<u>(80,177)</u>
<b>Gross profit</b>		<b>11,426</b>	<b>6,681</b>
Administrative expenses		(44,262)	(1,218)
Other gains/(losses)	5	5,420	(25)
Exceptional income/(costs)	6	<u>4,697</u>	<u>(73,919)</u>
<b>Operating loss</b>	7	<b>(22,719)</b>	<b>(68,481)</b>
Dividend income		1,817	203
Income from participating interests		8,400	6,573
Interest receivable and similar income	8	11,428	4,742
Interest payable and similar charges	9	<u>(10,110)</u>	<u>(5,048)</u>
<b>Loss before taxation</b>		<b>(11,184)</b>	<b>(62,011)</b>
Taxation	13	<u>(396)</u>	<u>(333)</u>
<b>Loss for the financial year</b>		<b><u>(11,580)</u></b>	<b><u>(62,344)</u></b>

The above results were derived from continuing operations.

## Renewable Energy Systems Limited

### Statement of Comprehensive Income for the Year Ended 31 October 2023

	<b>2023</b>	<b>(As restated)</b>
	<b>£ 000</b>	<b>2022</b>
		<b>£ 000</b>
Loss for the financial year	<u>(11,580)</u>	<u>(62,344)</u>
Remeasurement of net defined benefit pension liability	(32,870)	(18,276)
Gain/(loss) in fair value of equity investments and bonds	1,373	(10,524)
Deferred tax on change in fair value of equity investments	52	39
Fair value adjustment on bonds derecognised in the year	1,048	-
Fair value adjustment on bonds derecognised in the year reclassified to profit or loss	<u>(1,048)</u>	<u>-</u>
Other comprehensive loss	<u>(31,445)</u>	<u>(28,761)</u>
<b>Total comprehensive loss</b>	<u><b>(43,025)</b></u>	<u><b>(91,105)</b></u>


The notes on pages 27 to 74 form an integral part of these financial statements.

## Renewable Energy Systems Limited

(Registration number: 01589961)  
Balance Sheet as at 31 October 2023

			(As restated)
	Note	2023 £ 000	2022 £ 000
<b>Fixed assets</b>			
Intangible assets	14	6,196	6,804
Tangible assets	15	12,818	5,988
Investments	16	173,345	169,094
Other investments	17	9,849	11,905
		<u>202,208</u>	<u>193,791</u>
<b>Current assets</b>			
Stocks	18	2,141	1,359
Debtors: Amounts falling due within and after one year	19	209,967	96,289
Other current assets	20	192,815	294,640
Cash at bank and in hand	21	138,453	182,077
		<u>543,376</u>	<u>574,365</u>
<b>Creditors: Amounts falling due within one year</b>	<b>22</b>	<b><u>(148,037)</u></b>	<b><u>(128,728)</u></b>
<b>Net current assets</b>		<b><u>395,339</u></b>	<b><u>445,637</u></b>
<b>Total assets less current liabilities</b>		<b>597,547</b>	<b>639,428</b>
<b>Creditors: Amounts falling due after more than one year</b>	<b>22</b>	<b>(1,748)</b>	<b>-</b>
<b>Provisions for liabilities</b>	<b>23</b>	<b><u>(755)</u></b>	<b><u>(1,367)</u></b>
<b>Net assets excluding pension liability</b>		<b>595,044</b>	<b>638,061</b>
Net pension liability	24	<u>(5,100)</u>	<u>(7,842)</u>
<b>Net assets</b>		<b><u>589,944</u></b>	<b><u>630,219</u></b>
<b>Capital and reserves</b>			
Called-up share capital	25	42,801	42,801
Revaluation reserve	26	(6,216)	(10,339)
Profit and loss account	26	553,359	597,757
<b>Total equity</b>		<b><u>589,944</u></b>	<b><u>630,219</u></b>

Approved and authorised by the Board on 3 July 2024 and signed on its behalf by:

DocuSigned by:  
  
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 Mr H N Brandt  
 Director

## Renewable Energy Systems Limited

### Statement of Changes in Equity for the Year Ended 31 October 2023

	Note	Called-up share capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
<b>At 1 November 2022</b>		<b>42,801</b>	<b>(10,339)</b>	<b>597,757</b>	<b>630,219</b>
Loss for the financial year		-	-	(11,580)	(11,580)
Remeasurement gain/(loss) on defined benefit pension schemes		-	-	(32,870)	(32,870)
Unrealised gain/(loss) on remeasuring equity interest held by acquirer to fair value before business combination		-	1,373	52	1,425
Total comprehensive income/(loss)		-	1,373	(44,398)	(43,025)
Accumulated prior years other comprehensive (fair value) loss on bonds derecognised in the current year reclassified to profit or loss		-	2,750	-	2,750
<b>At 31 October 2023</b>		<b>42,801</b>	<b>(6,216)</b>	<b>553,359</b>	<b>589,944</b>

	Note	Called-up share capital £ 000	Revaluation reserve £ 000	Profit and loss account £ 000	Total £ 000
<b>At 1 November 2021 (restated)</b>		<b>42,801</b>	<b>185</b>	<b>757,338</b>	<b>800,324</b>
Loss for the financial year (restated)		-	-	(62,344)	(62,344)
Remeasurement gain/(loss) on defined benefit pension schemes		-	-	(18,276)	(18,276)
Unrealised gain/(loss) on remeasuring equity interest held by acquirer to fair value before business combination		-	(10,524)	39	(10,485)
Total comprehensive loss (restated)		-	(10,524)	(80,581)	(91,105)
Dividends	28	-	-	(79,000)	(79,000)
<b>At 31 October 2022</b>		<b>42,801</b>	<b>(10,339)</b>	<b>597,757</b>	<b>630,219</b>

At 31 October 2022

The notes on pages 27 to 74 form an integral part of these financial statements.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 1 General information

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

The address of its registered office is:

Beaufort Court  
Egg Farm Lane  
Kings Langley  
Hertfordshire  
WD4 8LR  
United Kingdom

These financial statements were authorised for issue by the Board on 3 July 2024.

#### 2 Accounting policies

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

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

##### Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

##### Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The Annual Report and Financial Statements (including the notes) are presented in pounds sterling, rounded to the nearest thousand pounds.

##### Summary of disclosure exemptions

The Company has taken advantage of the exemption under FRS 102 paragraph 1.12(b), from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company includes the Company's cash flows in its own consolidated financial statements.

The Company has taken advantage of the exemption under FRS 102 paragraph 1.12(c), from disclosing the financial instruments measured at amortised costs, on the basis that it is a qualifying entity and its ultimate parent company includes comparable disclosures in its own consolidated financial statements.

The Company has taken advantage of the exemption under FRS 102 paragraph 1.12(e), from disclosing the key management personnel compensation, on the basis that it is a qualifying entity and its ultimate parent company includes comparable disclosures in its own consolidated financial statements.

The Company has taken advantage of the exemption available under paragraph 33 of FRS 102 and therefore not disclosed transactions with its wholly owned subsidiaries and fellow undertakings.

## **Renewable Energy Systems Limited**

### **Notes to the Financial Statements for the Year Ended 31 October 2023**

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

##### **Going concern**

The Company's ability to continue as a going concern is assessed in conjunction with the Group's ability to continue as a going concern. The Company's viability is dependent upon the Group's ability and willingness to provide ongoing funds for working capital needs.

The Group has confirmed to the Directors that it will not demand repayment of existing unsecured intercompany loans such that insolvency would result, and will continue to provide financial support to enable the Company to meet its liabilities as they fall due for the foreseeable future, in particular for a period of at least 12 months from the date of signing this annual report and financial statements.

The directors have considered the Group's cash flow forecast for the period to the 12 months from the date of signing these financial statements. The directors of the Company are satisfied after appropriate consultation with the directors of the Group, and review of the forecasts and projections, and taking account of reasonable possible changes in trading performance and the current funds available, that the Company is able to operate for a least 12 months from the signing of this annual report and financial statements.

For this reason the directors believe that the Company has adequate resources to continue in operational existence and therefore it is appropriate that the Company continues to adopt the going concern basis in preparing this annual report and financial statements.

##### **Exemption from preparing group accounts**

The financial statements contain information about Renewable Energy Systems Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Renewable Energy Systems Holdings Limited, a company incorporated in UK.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2 Accounting policies (continued)

##### Reclassification of comparative amounts

Change in accounting policy for construction revenue and restatement of prior year numbers

In prior periods significant component costs (such as turbines, solar panels, inverters, power conversion systems and batteries) were excluded from the percentage of completion calculation until the items were commissioned. At this point they were recognised in income and costs in the Profit and Loss Account at nil margin. During the current year, management changed their accounting policy such that the costs of significant components are included in the measure of progress when they are installed. Management believes that this better reflects the overall transfer of control of benefits to the customer and will improve comparability with other similar entities.

Income and costs are now based on the percentage of total contract costs incurred up to the reporting date. Costs are usually incurred as construction and installation progresses.

The application of the above accounting policy within these financial statements results in a restatement in the prior year's construction turnover of £21.0 million (the impact of which is disclosed in note 4) and a £21.2 million adjustment to cost of sales.

The impact on Balance Sheet position was a restatement of stock, trade and other receivables, deferred income and reserves. Financial years 2021 and 2022 have been restated to reflect the policy update. The impact on the 2021 Balance Sheet was a £22.8 million reduction in stock, a £0.3 million increase in trade and other receivables, a £22.4 million reduction in deferred income and a £0.1 million reduction in reserves. The impact on 2022 Balance Sheet position was a £1.4 million reduction in stock, a £0.2 million increase in accrued income and a £1.2 million reduction in deferred income.

Change in disclosure of deferred tax on remeasurement of net defined benefit pension liability

In the prior year, the deferred tax on remeasurement of the net defined benefit pension liability of £4.6 million was included within the Statement of Comprehensive Income as a credit balance and shown within the tax charge in the income statement reconciliation in note 13 as an adjustment for deferred tax expense from unrecognised tax loss or credit. This has been restated so that the expense has been removed from the tax charge in the income statement and the deferred tax credit on restatement of net defined benefit pension liability has been removed from the Statement of Comprehensive Income. This reduced the loss for the financial year in 2022 from £66.9 million to £62.3 million and increased the other comprehensive loss from £24.2 million to £28.8 million, with no impact on the total comprehensive loss for the year.

##### Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2 Accounting policies (continued)

##### Contract revenue recognition

###### Development revenue

Revenue from development projects is recognised as the development site is transferred to the customer, in line with any contractual obligations. For all revenue streams, payment terms are detailed within the relevant contracts. Revenue is also earned on Development Service Agreements (DSAs) for advice and facilitation of project preparation up to the point of construction, recognised on a milestone basis at substantial completion of the services where the Company has an enforceable right to the payment.

###### Construction revenue

For construction contracts the Company considers the nature of and the extent that goods and services within each construction contract and whether they are interrelated and represent an integrated combined output for the customer. The integrated nature of many of the services provided by the Company results in revenue for some construction contracts being recognised over time as the Company's performance enhances the customer's asset as construction progresses. The Company also enters construction management contracts where the Company provides construction project management services to the customer. Revenue from construction management contracts is recognised over the course of the contract because either the customer simultaneously receives and consumes the benefits of the Company's performance as services are provided or the Company's services enhance an asset that the customer controls.

The Company primarily uses an input method to measure satisfaction of the services being provided to the customer. For the majority of the Company's construction contracts costs incurred compared to total estimated contract costs are considered to be the most appropriate method of measuring the Company's satisfaction of the performance obligations identified.

Revenue and costs are recognised when the outcome of the contract can be estimated reliably. Revenue and the associated costs are recognised based on the percentage of costs incurred up to the reporting date compared to the total estimated contract costs. Costs are usually incurred as construction and installation progresses.

If the contract is not considered profitable, the total expected loss is recognised within the reporting period in which the contract is identified as becoming loss-making.

Under most of the Company's contracts, the customer pays in accordance with a pre-arranged payment schedule or once milestones have been met. If the amount of revenue recognised (as measured by the methods described above) exceeds the amount of cash received from the customer then the difference will be held on the Balance Sheet. This will typically be comprised of a mixture of accrued income and trade receivables. If the amount of cash collected together with amounts due under the contract but uncollected exceeds the amount of revenue recognised then the difference is also held on the statement of financial position as deferred income.

Variable revenue in respect of contracts (including change orders, liquidated damages and claims) is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty is subsequently resolved.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2 Accounting policies (continued)

##### Support Services revenue

Revenue is earned on Support Services contracts, where wind, solar, storage and hydrogen sites are operated and managed by the Company on behalf of third parties, and Operations and Maintenance (O&M) service contracts where on-site plant and equipment are inspected and maintained by the Company on behalf of third parties. Revenue is recognised on a straight-line basis over the life of the contract, unless an alternative pattern of recognition is more commensurate with the transfer of risk and reward for the services provided.

##### Finance income and costs policy

Interest received and paid is recognised on a time apportioned basis.

##### Dividend and interest income

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

##### Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

##### Foreign currency transactions and balances

Transactions of UK companies denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at rates of exchange ruling at that date. The translation differences are dealt with in the profit and loss account.

Exchange differences on certain foreign currency borrowings, to the extent that they hedge the Company's investment in such operations, are reported in the statement of comprehensive income. Exchange differences on other foreign currency borrowings are recognised in the profit and loss account.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2 Accounting policies (continued)

##### Exceptional items

Exceptional items are one off items that arise from activities that are not in the ordinary course of business. Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Company. They are material items of income or expense that have been shown separately due to the significance of their nature or amount, and to assist users of the financial statements with their understanding and interpretation of the performance of the Company.

##### Tax

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

Deferred tax is recognised in respect of all temporary differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the temporary difference.

##### Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

##### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	20% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	35% reducing balance
Other plant and equipment	33% straight line

##### Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Company includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2 Accounting policies (continued)

##### Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

##### Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

##### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Customer relationships	15 years straight line
Customer contracts	10 years straight line

##### Investments

Investments in subsidiaries and joint ventures are measured at cost less impairment.

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2 Accounting policies (continued)

##### Stocks

The recognition of uninstalled materials such as wind turbines, solar panels and battery energy storage components are included within inventories until the assets have been commissioned. Inventories can also include spare parts and components that may be used or sold as part of service contracts.

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. Spare parts are measured at the lower of cost, which is determined on a first in first out basis, and net realisable value.

Work-in-progress is measured at the lower of cost and fair value less costs to sell and arises principally on those contracts for services provided by the Company which feature revenue and related cost recognition on substantial completion of the contract. Amounts included within work-in-progress represent the cumulative costs incurred on specific contracts, net of amounts recognised in cost of sales by applying the percentage completion method and less provision for anticipated future losses on contracts.

The cost of finished goods comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

The carrying amount of inventory is assessed for impairment at each reporting date and provision is made to reduce the carrying amount to recoverable amount for all known or expected losses on stocks or work in progress.

##### Trade creditors

Trade creditors 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 the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### Provisions

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2 Accounting policies (continued)

##### **Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### *Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

##### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

##### **Dividends**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2 Accounting policies (continued)

##### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

##### **Defined benefit pension obligation**

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

The Company participates in the defined benefits section of the Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme. The Company's agreed share of the defined benefit obligation is 10%. This is based on the agreed proportion of annual contributions to fund the scheme obligation. In the event that a contributing member to the scheme is unable to fulfil its annual contributions to the scheme, the contributions would fall due to the other contributing member. The total defined benefit liability is £51.1 million, the Company has recognised a liability of £5.1 million thus the potential non-current contingent liability is £46.0 million. The risk of this contingent liability becoming realised is considered to be remote.

##### **Long term employee benefits**

The Group operates a long term incentive plan for senior employees. Cash payments are made over the vesting period based on various financial accounting metrics of the Group, including net assets and profit before tax as defined in the rule of the scheme. The charges under the scheme are allocated to the relevant accounting period in which the Company benefits from the services of the employees concerned. This varies depending on the award dates, the vesting dates and the conditions imposed on continuing employment within the Group.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 2. Accounting policies (continued)

##### Financial instruments

###### *Classification*

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

A financial asset is classified at fair value through profit or loss if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current. The Company classifies cash held in term deposit accounts and notice accounts, where the term or notice period is longer than three months, as other financial assets.

The Company has invested in a portfolio of corporate bonds. The bonds are investment securities held by a third party for a set period of time in exchange for regular interest payments. They are considered to be basic financial instruments. The bonds are included in current assets despite their maturity date based on the business model that the Company retains the right to liquidate the portfolio at short notice should the need arise.

In line with the allowances of FRS 102 Section 11 the Company has chosen to adopt the IFRS 9 framework for initial measurement and subsequent recognition of the bonds. The bonds are measured at fair value and based on the Company's business model, changes to the fair value are recorded in other comprehensive income. As a result fair value movements are recorded within other comprehensive income.

Loans and receivables are other non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's loans and receivables include trade and other debtors and cash and cash equivalents, and subsequent to initial recognition are carried at amortised cost using the effective interest method.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

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

Judgements and estimations 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.

The carrying value of investments in subsidiaries

The Company is required to make judgements about whether indicators of impairment of its subsidiary investments exist and to make estimates and assumptions about the cash flows and profits when performing impairment assessments that have a significant impact on the amounts recognised for carrying amounts of the investments that are not readily apparent from other sources. The key estimates are considered to be: enterprise value multiples applied to construction results, as well as the values and probability weightings applied to the development portfolio estimates. These judgements, estimates and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

#### Critical accounting judgements

Development and pre-contract costs

The Company incurs a variety of costs in the investigative and preliminary phases of wind, solar, storage and hydrogen farm projects, including land options costs, geological and ecological studies, grid studies, energy yield assessments and engineering costs. Judgement is required in determining whether or not the recoverability of these development phase costs is probable, either from future operation by the Company of resulting infrastructure assets that it will own or through recovery from revenues earned under development, construction or support services contracts with third parties. In exercising those judgements, management takes into account the regulatory approval and consent regime along with experience of actual recoveries, if any, from other similar previous circumstances. In the Company's judgement it is appropriate to expense non-refundable development and pre-contract costs incurred in the early stages of a development where recovery cannot be considered probable until a relatively late stage in the development phase following approval by authorities and execution of contracts with third parties, only at this point is it considered that there is certainty of the project being sold to a customer.

#### Key sources of estimation uncertainty

Revenue and margin recognition

The Company's revenue recognition and margin recognition policies are set out in note 2. These policies require forecasts of the outcomes of long-term construction service contracts. Revenue and margins are calculated based on the percentage completion of the contract, which is based on costs incurred as a proportion of total contract costs, as this indicates the proportion of the performance obligation complete. All costs associated with each contract are estimated using cost quotations specific to the contract. The range of potential outcomes as a result of uncertain future events could result in a materially positive or negative swing to profitability and cash flow. The Company updates its total cost estimate whenever new information arises.

Warranty provisions

Following completion of a construction contract, the majority of customers enter into a warranty period, for which the terms are unique to each contract. Warranty periods are typically 2-5 years, with a broader warranty for the first two years and a more limited warranty for the remaining periods. The Company accrues a warranty provision upon substantial completion of each construction contract based on the estimated warranty expense, which is usually a percentage of the contract value.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 4 Turnover

The analysis of the Company's revenue for the year from continuing operations is as follows:

	(As restated)	
	2023	2022
	£ 000	£ 000
Rendering of services	<u>78,942</u>	<u>86,858</u>

The analysis of the Company's turnover for the year by market is as follows:

	(As restated)	
	2023	2022
	£ 000	£ 000
UK	73,112	80,157
Europe	1,665	3,275
Rest of world	4,165	3,426
	<u>78,942</u>	<u>86,858</u>

	(As restated)	
	2023	2022
	£'000	£'000
Development	11,769	11,882
Construction	3,839	21,141
Support Services	44,208	37,343
Other	19,126	16,492
	<u>78,942</u>	<u>86,858</u>

Revenue from construction contracts has been restated in the prior year from £42,138,000 to £21,141,000 due to the change in the Company's accounting policy for significant components (please refer to accounting policy notes for further details). This also results in an adjustment to the prior year 'UK' revenue from £101,154,000 to £80,157,000.

Other revenue includes amounts invoiced to other group companies in respect of group management fees and time spent by UK employees on other subsidiary's projects. The amount of intra-group revenue included within other revenue is £9,640,000 (2022: £9,285,000). Other revenue also includes amounts invoiced under a management agreement with TRIG.

Construction revenues have reduced year on year as the Company has moved away from the construction of projects to instead managing construction through a Construction Management Agreement, included within the Construction heading in the table above.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 5 Other gains/(losses)

The analysis of the Company's other gains/(losses) for the year is as follows:

		2023 £ 000	2022 £ 000
Loss on disposal of tangible assets		-	(1)
Gain on merger of subsidiary assets and liabilities	16	5,420	-
Loss on disposal of other investments		-	(24)
		5,420	(25)

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 6 Exceptional income/(costs)

The analysis of the Company's exceptional costs for the year is as follows:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Write back of impairment previously charged against intercompany loans	4,769	6,318
Impairment of investment in non-current assets	<u>(72)</u>	<u>(80,237)</u>
	<u><b>4,697</b></u>	<u><b>(73,919)</b></u>

The gain from the write back of impairment previously charged against intercompany loans is attributable to the release of the provisions recorded against intercompany loans where the Company believes the loan is fully recoverable.

The Company has also reviewed the carrying value of its investment in Renewable Energy Group Limited compared to the net asset position of that subsidiary and concluded that an impairment charge of £72,000 should be recognised in the current year.

#### 7 Operating loss

Operating loss is stated after charging the following:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Depreciation expense	2,010	1,632
Amortisation expense	608	538
Operating lease expense - property	661	484
Loss on disposal of tangible assets	-	1

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 8 Interest receivable and similar income

	2023	2022
	£ 000	£ 000
Interest income on bank deposits	4,964	1,782
Other finance income	6,464	2,960
	<b>11,428</b>	<b>4,742</b>

Other finance income includes interest receivable on the Company's bond investments of £1,769,000 (2022: £2,260,000) and interest income on defined benefit pension scheme assets £2,000,000 (2022: £970,000). The remaining balance relates to interest earned on fixed term deposits.

#### 9 Interest payable and similar charges

	Note	2023	2022
		£ 000	£ 000
Interest expense on other finance liabilities		33	2
Interest on defined benefit pension liability	24	2,000	1,110
Interest payable on loans from group undertakings		8,077	3,936
		<b>10,110</b>	<b>5,048</b>

#### 10 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023	2022
	£ 000	£ 000
Wages and salaries	46,384	38,451
Social security costs	5,337	4,681
Pension costs, defined contribution scheme	2,346	1,870
	<b>54,067</b>	<b>45,002</b>

The average monthly number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2023	2022
	Number	Number
Production	566	464
Administration and support	117	102
	<b>683</b>	<b>566</b>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 11 Directors' remuneration

The directors' remuneration for the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Remuneration	3,078	2,646
Contributions paid to money purchase schemes	64	51
	<b>3,142</b>	<b>2,697</b>
	<b>3,142</b>	<b>2,697</b>

In addition to the above, entitlement under long term incentive plans was £724,000 (2022: £3,798,000).

In respect of the highest paid director:

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Remuneration	654	656
	<b>654</b>	<b>656</b>
	<b>654</b>	<b>656</b>

In addition to the above, entitlement of the highest paid Director under long-term incentive plans was £Nil (2022: £209,000).

#### 12 Auditor's remuneration

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Audit of the financial statements	95	95
	<b>95</b>	<b>95</b>
	<b>95</b>	<b>95</b>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 13 Taxation

Tax charged in the income statement:

	2023	2022
	£ 000	£ 000
<b>Current taxation</b>		
UK corporation tax	316	-
UK corporation tax adjustment to prior periods	80	279
	396	279
<b>Deferred taxation</b>		
Arising from previously unrecognised tax loss, tax credit or temporary difference of prior periods	-	54
	-	54
<b>Tax charge in the income statement</b>	396	333

The tax on (loss)/profit before taxation for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 22.5% (2022 - 19%).

The differences are reconciled below:

		(As restated)
	2023	2022
	£ 000	£ 000
Loss before taxation	(11,184)	(62,011)
Corporation tax at standard rate	(2,516)	(11,782)
Effect of revenues exempt from taxation	(258)	(109)
Effect of expense not deductible in determining taxable profit (tax loss)	(879)	13,993
Effect of foreign tax rates	100	-
Increase from tax losses for which no deferred tax asset was recognised	3,913	-
Deferred tax credit from unrecognised tax loss or credit	-	(2,089)
Increase in current tax from adjustment for prior periods	81	333
Tax increase arising from group relief surrendered without payment	-	258
Tax decrease from effect of research and development tax credit	(45)	(271)
<b>Total tax charge</b>	396	333

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 13 Taxation (continued)

The March 2021 budget announced an increase to the main rate of corporation tax from 19% to 25% from April 2023. This was substantially enacted on 24 May 2021. The rate that has been applied in the tax accounting is 22.5%.

#### Deferred tax

Deferred tax assets and liabilities

	<b>Asset £ 000</b>	<b>Liability £ 000</b>
<b>2023</b>	<u>-</u>	<u>-</u>
<b>2022</b>	<b>Asset £ 000</b>	<b>Liability £ 000</b>
Other timing differences	<u>-</u>	<u>52</u>
	<u>-</u>	<u>52</u>

There are £13,323,000 of unused tax losses (2022 : £320,000) and for which no deferred tax asset is recognised in the Balance Sheet. These unused tax losses have no expiry date.

The amount of the net reversal of deferred tax assets and deferred tax liabilities expected to occur during the year beginning after the reporting period is £Nil (2022 : £Nil).

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 14 Intangible assets

	Goodwill £ 000	Contractual customer relationships £ 000	Total £ 000
<b>Cost</b>			
At 1 November 2022	2,690	5,929	8,619
At 31 October 2023	<u>2,690</u>	<u>5,929</u>	<u>8,619</u>
<b>Amortisation</b>			
At 1 November 2022	582	1,233	1,815
Charge for the year	264	344	608
At 31 October 2023	<u>846</u>	<u>1,577</u>	<u>2,423</u>
<b>Net book value</b>			
At 31 October 2023	<u>1,844</u>	<u>4,352</u>	<u>6,196</u>
At 31 October 2022	<u>2,108</u>	<u>4,696</u>	<u>6,804</u>

In the prior year, the Company acquired some operational and maintenance contracts for £2,280,000 as part of the Company's growth strategy, included within the bought forward contractual customer relationships balance. There were no equivalent additions in the current year and the cost is made up of asset management contracts and customer relationships.

The £344,000 amortisation of contractual customer relationships in the year is included within both cost of sales and administrative expenses in the profit and loss account, based on the nature of the contractual relationship. Amortisation of £157,000 relating to intangibles acquired on the acquisition of RES White Limited is included within administrative expenses with the remaining £187,000 amortisation relating to operational and maintenance contracts included within cost of sales.

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2022 : £Nil).

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 15 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Motor vehicles £ 000	Other property, plant and equipment £ 000	Total £ 000
<b>Cost or valuation</b>					
At 1 November 2022	1,407	1,904	89	12,583	15,983
Additions	8,000	215	-	716	8,931
Disposals	(91)	-	-	-	(91)
At 31 October 2023	<u>9,316</u>	<u>2,119</u>	<u>89</u>	<u>13,299</u>	<u>24,823</u>
<b>Depreciation</b>					
At 1 November 2022	1,272	658	80	7,985	9,995
Charge for the year	79	277	3	1,651	2,010
At 31 October 2023	<u>1,351</u>	<u>935</u>	<u>83</u>	<u>9,636</u>	<u>12,005</u>
<b>Net book value</b>					
At 31 October 2023	<u>7,965</u>	<u>1,184</u>	<u>6</u>	<u>3,663</u>	<u>12,818</u>
At 31 October 2022	<u>135</u>	<u>1,246</u>	<u>9</u>	<u>4,598</u>	<u>5,988</u>

Included within the net book value of land and buildings above is £7,935,000 (2022 : £27,000) in respect of freehold land and buildings and £30,000 (2022 : £108,000) in respect of long leasehold land and buildings.

Other property, plant and equipment includes computer equipment, computer software and other plant and machinery.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates

	2023 £ 000	2022 £ 000
Investments in subsidiaries	<u>173,345</u>	<u>169,094</u>
<b>Subsidiaries</b>		<b>£ 000</b>
<b>Cost or valuation</b>		
At 1 November 2022		390,790
Additions		19,644
Disposals		<u>(15,341)</u>
At 31 October 2023		<u>395,093</u>
<b>Provision</b>		
At 1 November 2022		221,696
Provision		<u>52</u>
At 31 October 2023		<u>221,748</u>
<b>Net book value</b>		
At 31 October 2023		<u>173,345</u>
At 31 October 2022		<u>169,094</u>

On 1 March 2023 the Company acquired 100% of the share capital of Integral Management Future Renewables S.L (IM Future) for £13,693,000 and on 21 March 2023 the Company acquired 100% of the share capital of Anemo Analytics ApS (Anemo) for £5,951,000. These acquisitions are in line with the Company's objectives to grow the Support Services business.

On 31 October 2023, the Company's subsidiary RES Participations S.A.S entered into a dissolution without liquidation which resulted in the universal transfer of assets and liabilities of RES Participations S.A.S to the sole shareholder Renewable Energy Systems Limited. As a result, an intercompany payable of £16,476,000 from Renewable Energy Systems Limited to RES Participations S.A.S was written off, other debtors of £4,270,000 were recognised and the investment value of £15,326,000 was disposed of. This resulted in a gain on merger of subsidiary assets and liabilities of £5,420,000.

Additionally, £13,000 of the investment held in RES Americas Inc was disposed of in the year for no gain or loss.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

<b>Joint ventures</b>	<b>£ 000</b>
<b>Cost</b>	
At 1 November 2022	841
At 31 October 2023	841
<b>Provision</b>	
At 1 November 2022	841
At 31 October 2023	841
<b>Carrying amount</b>	
At 31 October 2023	-
At 31 October 2022	-

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

##### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the Company holds 20% or more of the nominal value of any class of share capital as at 31 October 2023 are detailed in the table below. The registered office addresses are:

- (1) Beaufort Court, Egg Farm Lane, Kings Langley, Hertfordshire, WD4 8LR
- (2) Unit C1 & C2, Willowbank Business Park, Millbrook, Larne, BT40 2SF
- (3) Level 4, Deutsche Bank Place, 126-130 Phillip Street, Sydney, NSW 2000
- (4) 5605 Avenue de Gaspé, Suite 508, Montreal, Quebec, H2T 2A4
- (5) 115 rue du Mourelet, Z.I. de Courtine, 8400, Avignon
- (6) 6th Floor, 2 Grand Canal Square, Dublin, Ireland
- (7) Wergelandsveien 23B, 0167, Oslo, Norway
- (8) 1209 Orange Street, Wilmington, DE, 19801
- (9) Cumhuriyet Caddesi, Pegasus Evi: 48/1 Elmadag, Sisli, 34367, Istanbul
- (10) 102-1015 Wilkes Avenue, Winnipeg, Manitoba R3P 2R8
- (11) Unit 3 Ballyheerin, Kilmacrennan, Letterkenny, Co.Donegal
- (12) Level 1, Tower Building, 50 Customhouse Quay, Wellington, New Zealand
- (13) Mazars House, Rialto Road, Grand Moorings Precinct, Century City, 7441 South Africa
- (14) 2 Grand Canal Square, Dublin 2 Ireland
- (15) Via San Marino 12, 00198, Roma, Italy
- (16) Republic of Chile
- (17) 421-7th Avenue SW, Suite 4000, Calgary, Alberta T2P 4K9
- (18) 44 Chipman Hill, Suite 1000, Saint John, New Brunswick E2L 2A9
- (19) 199 Bay Street, Suite 4000, Commerce Court West, Toronto, Ontario M5L 1A9
- (20) 1959 Upper Water Street, Suite 9000, Halifax, Nova Scotia B3J 3N2, Canada
- (21) 40 rue de la Boetie, 75008, Paris, France
- (22) Gartenstrasse 1, 78136, Schonach im Schwarzwald, Germany
- (23) Garvis Carlssons gata 5169 41 Solna"
- (24) NV Nordisk Vindkraft AB, Lilla Bommen 1SE-411 04 Göteborg
- (25) Level 6, 165 Walker Street, North Sydney, NSW 2060
- (26) King & wood Mallesons, Level 61 Governor Phillip Tower, 1 Farrer Place, Sydney NSW 2000
- (27) Reutener Straße 18 79279 Vörstetten
- (28) 66 Wellington Street West, Suite 5300, Toronto, Ontario M5K
- (29) 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia B3J 3N2
- (30) Level 7, 1 Margaret Street, Sydney, NSW 2000
- (31) 1500-1874 Scarth St, Regina, Saskatchewan S4P 4R9
- (32) Third Floor, STV, Pacific Quay, Glasgow, G51 1PQ
- (33) 255 Queens Avenue, Suite 2010, London, Ontario, Canada, N6A 5R8
- (34) Central Queensland Power Development Corporation Pty Ltd
- (35) Lugar a Condomiña 15 - Ortoñoames 15228-A Coruña, Spain
- (36) Nannasgade 28, 2200 København N, Denmark

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
<b>Subsidiary undertakings</b>				
Renewable Energy Centre Limited	(1) UK	Ordinary Shares	100%	100%
Renewable Energy Group Limited	(1) UK	Ordinary Shares	100%	100%
Wind Energy Systems Limited	(1) UK	Ordinary Shares	100%	100%
White Newco B Limited	(1) UK	Ordinary shares	100%	100%
RES Australia Pty Limited	(3) Australia	Ordinary Shares	100%	100%
Renewable Energy Systems Canada Inc	(4) Canada	Ordinary Shares	100%	100%
RES Deutschland GMBH	(27) Germany	Ordinary Shares	100%	100%
RES New Zealand Limited	(12) New Zealand	Ordinary Shares	100%	100%
Renewable Energy Systems Southern Africa Pty	(13) South Africa	Ordinary Shares	100%	100%
Renewable Energy Systems Americas Inc	(8) USA	Ordinary Shares	100%	100%
RES Renewable Norden AB	(24) Sweden	Ordinary Shares	100%	100%
RES Italia s.r.l.	(15) Italy	Ordinary Shares	100%	100%
Solar Slate Limited	(1) UK	Ordinary Shares	100%	100%
RES Anatolia Holding Anonim Şirketi	(9) Turkey	Ordinary Shares	100%	100%
Sarcon (NO. 999) Limited	(1) UK	Ordinary Shares	100%	100%
RES Solar Ireland Limited	(6) ROI	Ordinary Shares	100%	100%
Hanti Enerji Üretim Anonim Şirketi	(9) Turkey	Ordinary Shares	100%	100%
Eşref Enerji Üretim Anonim Şirketi	(9) UK	Ordinary Shares	100%	100%
RES Participations S.A.S	(5) France	Ordinary Shares	0%	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
RES Sud Europe S.A.S	(5) France	Ordinary Shares	100%	100%
Anemo Analytics Aps	(36) Denmark	Ordinary Shares	100%	0%
Integral Management Renewables SL	Future (35) Spain	Ordinary shares	100%	0%
<b>Joint ventures and other investments (direct and indirect)</b>				
SPR Development Holdings, LLC	(8) USA	Ordinary Shares	49%	49%
Sequoia Renewable Energy Systems LP	(10) Canada	Ordinary Shares	50%	50%
Eenou Windcorp Inc	(4) Canada	Ordinary Shares	40%	40%
Northern Lights AOO LP	(28) Canada	Ordinary Shares	49%	49%
Northern Lights LP	(28) Canada	Ordinary Shares	49%	49%
5529442 Manitoba Limited	(10) Canada	Ordinary Shares	50%	50%
Murra Warra Solar Holdings Pty Ltd	(3) Australia	Ordinary shares	50%	50%
Murra Warra Energy Storage Pty Ltd	(26) Australia	Ordinary Shares	50%	50%
Orestes Storage Solutions AB	(24) Sweden	Ordinary Shares	50%	0%
<b>Indirect subsidiary undertakings:</b>				
Operating subsidiaries and projects in construction:				
Alexandra Dock Energy Limited	(1) UK	Ordinary Shares	-	100%
Altahullion Energy Limited	(1) UK	Ordinary Shares	100	-
Blary Hill Land Limited	(1) UK	Ordinary Shares	100%	100%
Cairn Duhie Energy Limited	(1) UK	Ordinary Shares	100%	100%
Derril Water Solar Limited	(1) UK	Ordinary Shares	-	100%
Eastern Wind Farms Limited	(1) UK	Ordinary Shares	-	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Kingston Solar Limited	(1) UK	Ordinary Shares	100%	100%
Llanerfyl Access Road Consortium Limited	(1) UK	Ordinary Shares	50%	50%
Monadhliath Energy Limited	(1) UK	Ordinary Shares	-	100%
North Blyth Energy Limited	(1) UK	Ordinary Shares	-	100%
Petre Street Storage Ltd	(1) UK	Ordinary Shares	-	100%
Rayburn Wind Farm Limited	(1) UK	Ordinary Shares	-	100%
Renewable Energy Systems (Northern Ireland) Limited	(2) UK	Ordinary Shares	100%	100%
RES Developments Limited	(1) UK	Ordinary Shares	-	100%
RES White Limited	(1) UK	Ordinary Shares	100%	100%
Rufford Solar Limited	(1) UK	Ordinary Shares	-	100%
Spennymoor Energy Storage Limited	(1) UK	Ordinary Shares	-	100%
Wind Turbine Developments Limited	(1) UK	Ordinary Shares	-	100%
Barr Cregg Energy Limited	(2) UK	Ordinary Shares	100%	100%
Dunbeg South Energy Limited	(2) UK	Ordinary Shares	100%	100%
Ballydonagh Solar Limited	(6) ROI	Ordinary Shares	100%	-
Ballyteige Solar Limited	(6) ROI	Ordinary Shares	100%	-
RES Storage, Ireland Limited	(6) ROI	Ordinary Shares	100%	100%
RES Southern Cross PTY Limited	(3) Australia	Ordinary Shares	80%	80%
Southern Cross Windpower PTY Limited	(3) Australia	Ordinary Shares	100%	100%
Murra Warra Energy PTY Limited	(3) Australia	Ordinary Shares	100%	100%
Twin Creek Energy PTY Limited	(3) Australia	Ordinary Shares	100%	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Blueshore Pty Ltd	(30) Australia	Ordinary Shares	100%	100%
Central Queensland Power Development Corporation Pty Ltd	(3) Australia	Ordinary Shares	70%	-
Dalby Energy Holdings Pty Ltd	(3) Australia	Ordinary Shares	100%	100%
Dalby Energy Project Pty Ltd	(3) Australia	Ordinary Shares	100%	100%
Dalby Energy Finance Pty Ltd	(3) Australia	Ordinary Shares	100%	100%
Moah Creek Wind Farm Hold Co Pty Lyd	(34) Australia	Ordinary Shares	70%	-
Moah Creek Wind Farm Project Co Pty Ltd	(34) Australia	Ordinary Shares	70%	-
Mount Rainbow Wind Farm Hold Co Pty Ltd	(34) Australia	Ordinary Shares	70%	-
Mount Rainbow Wind Farm Project Co Pty Ltd	(34) Australia	Ordinary Shares	70%	-
2308274 Alberta Ltd	(17) Canada	Ordinary Shares	100%	100%
Assiniboine Wind G.P. Inc	(17) Canada	Ordinary Shares	100%	100%
Assiniboine Wind L.P.	(17) Canada	Ordinary Shares	100%	100%
Athelstane Wind Farm LP	(28) Canada	Ordinary Shares	-	100%
Bekevar Wind G.P Inc	(29) Canada	Ordinary Shares	100%	100%
Bekevar Wind L.P	(31) Canada	Ordinary Shares	89%	89%
Eastern Fields Wind Farm LP	(28) Canada	Ordinary Shares	100%	100%
Eastern Fields Wind Farm (GP) Inc.	(28) Canada	Ordinary Shares	100%	100%
Enterprise Solar GP Inc	(28) Canada	Ordinary Shares	-	100%
Enterprise Solar LP	(28) Canada	Ordinary Shares	-	100%
Hilda Wind L.P.	(17) Canada	Ordinary Shares	-	100%
Hilda Wind G.P. Inc	(17) Canada	Ordinary Shares	-	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Renewable Energy Systems Quebec Inc	(4) Canada	Ordinary Shares	100%	100%
RES Canada Asset Management GP Inc	(4) Canada	Ordinary Shares	-	100%
RES Canada Asset Management LP	(4) Canada	Ordinary Shares	-	100%
RES Canada Construction (Ontario) Inc	(28) Canada	Ordinary Shares	100%	100%
RES Canada Construction (Ontario) LP	(28) Canada	Ordinary Shares	100%	100%
RES Canada Construction GP, Inc	(4) Canada	Ordinary Shares	100%	100%
RES Canada Construction LP	(4) Canada	Ordinary Shares	100%	100%
RES Canada Energy Storage Inc	(28) Canada	Ordinary Shares	-	100%
RES Canada Energy Storage LP	(28) Canada	Ordinary Shares	-	100%
RES Canada Support Services GP Inc.	(4) Canada	Ordinary Shares	100%	100%
RES Canada Support Services LP	(4) Canada	Ordinary Shares	100%	100%
RES Canada Land LP	(4) Canada	Ordinary Shares	100%	100%
RES Oyen Wind GP Corp	(17) Canada	Ordinary Shares	100%	100%
RES Oyen Wind LP	(17) Canada	Ordinary Shares	100%	100%
Windy Ridge I GP Inc	(29) Canada	Ordinary Shares	100%	100%
Windy Ridge I Limited Partnership	(29) Canada	Ordinary Shares	100%	100%
Windy Ridge II GP Inc	(29) Canada	Ordinary Shares	100%	100%
Windy Ridge II Limited Partnership	(29) Canada	Ordinary Shares	100%	100%
Nova Solar G.P. Inc.	(17) Canada	Ordinary Shares	100%	100%
Nova Solar L.P.	(17) Canada	Ordinary Shares	100%	100%
RES Forty Mile Wind GP Corp.	(17) Canada	Ordinary Shares	100%	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Barley Energy Storage GP Inc.	(33) Canada	Ordinary Shares	100%	100%
Barley Energy Storage GP L.P.	(33) Canada	Ordinary Shares	100%	100%
RES Forty Mile Wind LP	(17) Canada	Ordinary Shares	100%	100%
Big Sky Solar GP Inc.	(17) Canada	Ordinary Shares	100%	100%
Big Sky Solar LP	(17) Canada	Ordinary Shares	100%	100%
Wheat Energy Storage GP Inc.	(33) Canada	Ordinary Shares	100%	100%
Wheat Energy Storage L.P.	(33) Canada	Ordinary Shares	100%	100%
Soy Energy Storage GP Inc.	(33) Canada	Ordinary Shares	100%	100%
Soy Energy Storage L.P.	(33) Canada	Ordinary Shares	100%	100%
RES S.A.S	(5) France	Ordinary Shares	100%	100%
12 RES Deutschland Wind GmbH & Co. KG	(27) Germany	Ordinary Shares	-	100%
13 RES Deutschland Wind GmbH & Co. KG	(27) Germany	Ordinary Shares	-	100%
14 RES Deutschland Wind GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
RES Deutschland Verwaltungs GmbH	(27) Germany	Ordinary Shares	100%	100%
Solarpark Döblitz GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Solarpark Oberrot GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Solarpark Öhningen GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Umspannwerk Offenhausen GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Umspannwerk Pronsfeld GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Umspannwerk Winden GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Windkraft Schonach GmbH	(22) Germany	Ordinary Shares	85%	85%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Windpark Gomadingen Bürgerbeteiligung GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Windpark Gomadingen GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Windpark Laubus GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Windpark Pronsfeld GmbH & Co. KG	(27) Germany	Ordinary Shares	100%	-
Windpark Wasen GmbH & Co KG	(27) Germany	Ordinary Shares	100%	100%
Blaberg Vindkraft AS	(7) Norway	Ordinary Shares	-	100%
Hovatn Aust Vindkraft AS	(7) Norway	Ordinary Shares	-	100%
Nordisk Vindkraft Norge AS	(7) Norway	Ordinary Shares	100%	100%
Skvenehei Vindkraft AS	(7) Norway	Ordinary Shares	-	100%
RES Chile SpA	(16) Chile	Ordinary Shares	100%	100%
Pinon Blanco SpA	(16) Chile	Ordinary Shares	50%	50%
REI Desarrollo SpA	(16) Chile	Ordinary Shares	50%	50%
RES Chile Construction SpA	(16) Chile	Ordinary Shares	50%	50%
Bjornberget Vindkraft AB	(24) Sweden	Ordinary Shares	-	100%
Degerkölen Vindkraft AB	(24) Sweden	Ordinary Shares	100%	100%
Granliden Vindkraft AB	(24) Sweden	Ordinary Shares	100%	100%
Gubbaberget Vindkraft AB	(24) Sweden	Ordinary Shares	-	100%
Havsnäs Vindkraft Elnät AB	(24) Sweden	Ordinary Shares	-	100%
HjelmInvest AB	(24) Sweden	Ordinary Shares	100%	-
Hornmyran Vindkraft AB	(24) Sweden	Ordinary Shares	-	100%
Ljungafors Fastigheter AB	(24) Sweden	Ordinary Shares	100%	-

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

RES Renewable Norden AB	(24) Sweden	Ordinary Shares	100%	-
NV Nordisk Vindkraft AB	(24) Sweden	Ordinary Shares	-	100%
Stora Uvberget Vind AB	(24) Sweden	Ordinary Shares	100%	100%
Storasen Vindkraft AB	(24) Sweden	Ordinary Shares	100%	100%
Skyttmon Borgvattnet AB	(24) Sweden	Ordinary Shares	100%	100%
Trysslinge Vindkraft AB	(24) Sweden	Ordinary Shares	100%	100%
Vargträsk Vindkraft AB	(24) Sweden	Ordinary Shares	100%	100%
Vindkraft i Fjällberg AB	(24) Sweden	Ordinary Shares	-	100%
Vindkraft i Norrhälsinge AB	(24) Sweden	Ordinary Shares	100%	100%
Vinliden Vindkraft AB	(24) Sweden	Ordinary Shares	-	100%
Cetmi Ruzgar Enerjisinden Elektrik Uretimi Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Ahiyuva Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Arzava Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Canik Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Çubuk Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Dilmaç Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Eratna Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Esref Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Frig Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Galatya Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	-	100%
Germiyan Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Hanti Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Inal Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Inanç Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Mengucek Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Pervane Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Saltuk Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Saruhan Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Sökmen Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Tuspa Enerji Üretim Limited Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Zerocarbon Enerji Üretim Anonim Sirketi	(9) Turkey	Ordinary Shares	100%	100%
Battery Utility of Ohio, LLC	(8) USA	Ordinary Shares	100%	100%
Black Bear Wind Energy LLC	(8) USA	Ordinary Shares	-	100%
Cherry Ice Energy Storage, LLC	(8) USA	Ordinary Shares	100%	-
Clear Fork Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Clip Road Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Crooked Creek Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Dolomite Solar, LLC	(8) USA	Ordinary Shares	100%	-
DSR Solar Energy LLC	(8) USA	Ordinary Shares	-	100%
Egret Solar, LLC	(8) USA	Ordinary Shares	100%	-
Freedom Way Solar, LLC	(8) USA	Ordinary Shares	-	100%
Grooms Solar, LLC	(8) USA	Ordinary Shares	100%	-

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Glacier Ridge Wind Farm, LLC	(8) USA	Ordinary Shares	-	100%
Hamlet Flats, LLC	(8) USA	Ordinary Shares	100%	-
Honeysuckle Solar LLC	(8) USA	Ordinary Shares	-	100%
Honey Ranch Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Irene Solar, LLC	(8) USA	Ordinary Shares	100%	-
Joilet Battery Storage, LLC	(8) USA	Ordinary Shares	100%	100%
Karnes Community Solar LLC	(8) USA	Ordinary shares	-	100%
Keys Hollow Solar, LLC	(8) USA	Ordinary Shares	100%	100%
KPUB Solar Energy, LLC	(8) USA	Ordinary Shares	-	100%
Mines Wind Energy LLC	(8) USA	Ordinary Shares	-	100%
Northern Illinois Battery Storage LLC	(8) USA	Ordinary Shares	100%	100%
Oklahoma Land Partners, LLC	(8) USA	Ordinary Shares	100%	100%
Opuntia Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Quarter Horse Solar, LLC	(8) USA	Ordinary Shares	100%	100%
RES (Construction) GP LLC	(8) USA	Ordinary Shares	100%	100%
RES (Construction) LP, LLC	(8) USA	Ordinary Shares	100%	100%
RES (Construction), LP	(8) USA	Ordinary Shares	100%	100%
RES America Construction Inc.	(8) USA	Ordinary Shares	100%	100%
RES America Developments Inc.	(8) USA	Ordinary Shares	100%	100%
RES America Engineering Inc.	(8) USA	Ordinary Shares	100%	100%
RES America Investments Inc.	(8) USA	Ordinary Shares	100%	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

RES America Integration Services Inc.	(8) USA	Ordinary Shares	100%	-
RES America Asset Management Inc.	(8) USA	Ordinary Shares	-	100%
RES America Support Services Inc.	(8) USA	Ordinary Shares	100%	100%
RES Battery Storage Holdings, LLC	(8) USA	Ordinary Shares	100%	100%
RES Distributed Holdings LLC	(8) USA	Ordinary Shares	100%	100%
RES Distributed LLC	(8) USA	Ordinary Shares	100%	100%
RES Energy Storage Holdings, LLC	(8) USA	Ordinary Shares	100%	100%
RES North America Leasing, LLC	(8) USA	Ordinary Shares	100%	100%
RES System 3, Holdings LLC	(8) USA	Ordinary Shares	100%	100%
RES System 3, LLC	(8) USA	Ordinary Shares	100%	100%
RES Technologies, LLC	(8) USA	Ordinary Shares	-	100%
Rocky Solar, LLC	(8) USA	Ordinary Shares	-	100%
S.E. Wind Energy LLC	(8) USA	Ordinary Shares	-	100%
Somerset Energy Storage, LLC	(8) USA	Ordinary Shares	100%	-
Southwest Land Partners, LLC	(8) USA	Ordinary Shares	100%	100%
Spoon River Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Summit Lake Wind, LLC	(8) USA	Ordinary Shares	-	100%
Sure Shot Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Texas GP Holdings, LLC	(8) USA	Ordinary Shares	100%	100%
Texas Land Partners, LP	(8) USA	Ordinary Shares	100%	100%
Texas LP Holdings, LLC	(8) USA	Ordinary Shares	100%	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Thunderbird Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Vista Mountain Wind, LLC	(8) USA	Ordinary Shares	-	100%
Walleye Wind Project, LLC	(8) USA	Ordinary Shares	-	100%
West Chicago Battery Storage LLC	(8) USA	Ordinary Shares	100%	100%
Weser Solar, LLC	(8) USA	Ordinary Shares	100%	100%
White River Solar Energy, LLC	(8) USA	Ordinary Shares	-	100%
Wolf Tail Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Yaupon Solar, LLC	(8) USA	Ordinary Shares	-	100%
Yellow Jacket Wind, LLC	(8) USA	Ordinary Shares	-	100%
Beaty Hills Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Big Road Solar, LLC	(8) USA	Ordinary Shares	-	100%
Cash Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Driftwood Solar, LLC	(8) USA	Ordinary Shares	-	100%
Healing Dove Solar, LLC	(8) USA	Ordinary Shares	100%	100%
House Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Iron Belly Solar, LLC	(8) USA	Ordinary Shares	-	100%
Jasper Solar, LLC	(8) USA	Ordinary Shares	-	100%
King Solar, LLC	(8) USA	Ordinary Shares	-	100%
Loblolly Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Mudbug Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Pinetop Solar, LLC	(8) USA	Ordinary Shares	-	100%

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 16 Investments in subsidiaries, joint ventures and associates (continued)

Perry Creek Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Rainwater Lake Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Red Owl Solar, LLC	(8) USA	Ordinary Shares	100%	100%
Red Wing Solar, LLC	(8) USA	Ordinary Shares	-	100%
Rooster Solar, LLC	(8) USA	Ordinary Shares	-	100%
Transmission and Development, LLC	(8) USA	Ordinary Shares	100%	100%

The principal activity of the above companies is the development, construction, and operation of wind farms, solar farms, green hydrogen and battery storage facilities and their year end is the same as the Company. Each shareholding is of ordinary shares with no special rights or constraints attached to them.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 17 Other investments

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Other investments	9,849	11,905

Other investments represent the Company's investment in the ordinary share capital of The Renewables Infrastructure Group plc.

#### 18 Stocks

	(As restated)	
	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Finished goods and goods for resale	2,141	1,359

Prior year has been restated as a result of the update to the revenue recognition policy detailed in accounting policies note. Prior year finished goods and goods for resale has reduced from £2,764,000 to £1,359,000 as a result of the policy change.

#### 19 Debtors: Amounts falling due within and after one year

		(As restated)	
		<b>2023</b>	<b>2022</b>
<b>Current</b>	<b>Note</b>	<b>£ 000</b>	<b>£ 000</b>
Trade debtors		20,035	12,057
Amounts owed by related parties	29	84,556	64,115
Other debtors		6,356	2,031
Prepayments		2,714	1,484
Accrued income		5,896	7,104
Income tax asset		2,211	5,045
		<b>121,768</b>	<b>91,836</b>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 19 Debtors: Amounts falling due within and after one year (continued)

Trade debtors are shown net of a provision for expected credit losses of £473,000 (2022: £624,000).

Prior year has been restated as a result of the update to the revenue recognition policy detailed in accounting policies note. Prior year accrued income has increased from £6,912,000 to £7,104,000 as a result of the policy change.

Amounts owed by related parties shown above includes various loans due from direct and indirect subsidiary companies, provided to fund short term working capital requirements. The interest rate on loans relating to operations in established markets is linked to the base rate of the relevant country where the loan has been provided, plus a premium where appropriate, and range from 2.25% to 6.25%. The original repayment date for loans falling under the original "Inter Company Loan (Working Capital) Agreement" was 30 October 2023 and an extension is in the process of being formalised, with no funds being called back at 30 October 2023. The terms of the loan have continued post the original expiry, with a new expiration date to be agreed. Subsequent loan advances and other amounts due from related parties are repayable on demand.

<b>Non-current</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>£ 000</b>	<b>£ 000</b>
Amounts owed by related parties	29	<u>88,199</u>	<u>4,453</u>
		<u><b>88,199</b></u>	<u><b>4,453</b></u>

Two new loans were issued during the year to related parties, due from two entities under the control of The McAlpine Partnership Trust (incorporated in the UK), which ultimately owns 100% of the Company's shares. The first loan for £55.0 million bears interest at 2% above the Bank of England base rate and has a repayment date of 30 April 2028. The second loan for £25.0 million bears interest at 4% above the RPI and has a repayment date of 31 January 2026.

Amounts owed by related parties also includes two further loans due from an entity under the control of The McAlpine Partnership Trust (incorporated in the UK), which ultimately owns 100% of the Company's shares. The first loan for £2.0 million bears interest at 2% above the Bank of England base rate and has a repayment date of 31 December 2025. The second loan for CAD 6.0 million bears interest at 2% above the Bank of United States, Canada or Australia base rate, depending on the currency of the loan issued and has a repayment date of 31 July 2032.

#### 20 Other current assets

	<b>2023</b>	<b>2022</b>
	<b>£ 000</b>	<b>£ 000</b>
Bonds	130,460	190,057
Short Term Deposits	<u>62,355</u>	<u>104,583</u>
	<u><b>192,815</b></u>	<u><b>294,640</b></u>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 20 Other current assets (continued)

In the prior year, the Company invested £199.9 million into bonds which have a range of maturity dates but can be readily liquidated. In the current year, £61.6 million of these bonds were divested and proceeds moved into cash and cash equivalents. The remaining bonds are fair valued through the OCI. None of the bonds are considered to be level 1 in the fair value hierarchy. The bonds are fair valued using inputs (other than quoted prices) that are observable directly or indirectly or unobservable - i.e. all bonds are considered to be level 2 in the fair value hierarchy. The valuations are derived from third party financial institutions, using observable market data where it is available. The Company does not consider that any counterparties to the bonds have credit risk that materially impacts the calculated fair value of the instruments. During the year the Company recognised a fair value gain of £1.4 million in OCI.

#### 21 Cash at bank and in hand

	2023	2022
	£ 000	£ 000
Cash at bank	93,453	130,000
Short-term deposits	45,000	52,077
	<u>138,453</u>	<u>182,077</u>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 22 Creditors

	(As restated)	
	2023	2022
	£ 000	£ 000
<b>Due within one year</b>		
Trade creditors	5,719	4,667
Amounts due to related parties	125,637	105,426
Social security and other taxes	1,559	684
Accrued expenses	13,661	16,705
Income tax liability	211	-
Deferred income	1,250	1,246
	<u>148,037</u>	<u>128,728</u>
<b>Due after one year</b>		
Other non-current financial liabilities	<u>1,748</u>	-

Prior year has been restated as a result of the update to the revenue recognition policy detailed in accounting policies note. Prior year deferred income has reduced from £2,457,000 to £1,246,000 as a result of the policy change.

Amounts due to related parties shown above includes an amount of £4,488,000 (2022: £5,732,000) due to the parent company, Renewable Energy Systems Holdings Limited, and various working capital loans from direct and indirect subsidiary companies. The interest rate on the loans is linked to the base rate of the relevant country where the loan has been provided, plus a premium where appropriate, and range from 0.25% to 6.45%. The original repayment date for loans falling under the original Inter Company Loan (Working Capital) Agreement was 30 October 2023 and an extension is in the process of being formalised, with no funds being called back at 30 October 2023. The terms of the loan have continued post the original expiry, with a new expiration date to be agreed. Subsequent loan advances and other amounts due to related parties are repayable on demand.

The amounts due to related parties also include deferred consideration paid relating to the acquisition of Anemo Analytics ApS, with £1,970,000 included in amounts due within one year and £1,748,000 included in amounts due after one year.

There are no amounts falling due after more than five years.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 23 Provisions for liabilities

	Warranties £ 000	Deferred tax £ 000	Total £ 000
At 1 November 2022	1,315	52	1,367
Increase (decrease) in existing provisions	8	(52)	(44)
Utilised in the year	(568)	-	(568)
<b>At 31 October 2023</b>	<b>755</b>	<b>-</b>	<b>755</b>

The warranty provision relates to future losses anticipated on long term contracts and is expected to be utilised within the next two years.

The decrease in provision of £52,000 deferred tax charge consists of a credit of £52,000 in the statement of comprehensive income.

#### 24 Pension and other schemes

##### Defined contribution pension scheme

The Company operates a defined contribution pension scheme which has been closed to new members since 2002. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £2,346,317 (2022 : £1,869,950). There were no contributions outstanding at the end of the year.

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 24 Pension and other schemes (continued)

##### Defined benefit pension schemes

##### The Sir Robert McAlpine Limited Staff Pension and Life Assurance Scheme

The Company operates a defined benefit pension scheme which has been closed to new members since 2002. Benefits are based on pensionable pay. The date of the most recent comprehensive actuarial valuation was 31 October 2021. The pension cost relating to the scheme is assessed in accordance with the advice of an external, qualified actuary using the projected unit method.

The assumptions which have a significant effect on the results of the valuation are those relating to the rate of return on the investments and the rates of increases in salaries and pensions.

Both the pre-retirement and the post-retirement rate of return use the market-implied gilt yield curve plus 1.43% (at the valuation date), then linearly tapering down to a margin of 0.5% above the gilt yield curve by 2035. Salary increases are assumed to be in line with deferred revaluation increases, as the future salary increase assumption is lower than CPI. Statutory revaluation underpins these benefits. Pension increases are based on LPI Pension Increases curves derived from RPI, adjusted for the impact of the cap and floor and with an allowance for inflation volatility. The triennial actuarial valuation showed a net deficit of £151.2m, with the market value of the scheme's assets amounting to £530.9m which was sufficient to cover 78% of the benefits that had accrued to members at the valuation date. The scheme has been closed to new entrants since 2002 and closed to future accrual as at 1 November 2017.

The next formal actuarial valuation is due as at 31 October 2024.

The Company shares the risks of the Scheme with Newarthill Group - an entity under common control. The pension scheme trustees are ultimately responsible for the governance of the plan including how plan assets are invested and the scheme is funded.

The Scheme's deficit is shared with Newarthill whereby Newarthill recognises 90% of the costs and liabilities of the Scheme and the Company recognises 10%. This note discloses both the full liability and the Company's 10% share which is recognised in the statement of financial position.

During the prior year the Company paid a special contribution of £21.0 million to the Scheme under a distribution sharing agreement as well as a further contribution in the current year of £34.0 million to the Scheme. As these contributions are more than the Company's share of the total remaining deficit recovery contributions payable under the recovery plan, The Company is not liable for any further contributions under the plan and as such the value of the Company's minimum funding requirement is nil in the scheme under FRS 102. Any subsequent contributions that are paid are voluntary rather than those compelled under the Schedule of Contributions.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £100,000 (2022 : £230,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2022 : £Nil).

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 24 Pension and other schemes (continued)

##### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The amounts recognised in the balance sheet are as follows:

	2023	2022
	£ 000	£ 000
Fair value of scheme assets	32,200	34,488
Present value of defined benefit obligation	<u>(37,300)</u>	<u>(42,330)</u>
<b>Defined benefit pension scheme deficit</b>	<b><u>(5,100)</u></b>	<b><u>(7,842)</u></b>

##### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	2023
	£ 000
Present value at start of year	(42,330)
Interest cost	(2,000)
Actuarial gains and losses	4,530
Benefits paid	<u>2,500</u>
<b>Present value at end of year</b>	<b><u>(37,300)</u></b>

##### *Fair value of scheme assets*

Changes in the fair value of scheme assets are as follows:

	2023
	£ 000
Fair value at start of year	34,488
Interest income	2,000
Return on plan assets, excluding amounts included in interest income/(expense)	(2,600)
Administration expenses	(88)
Employer contributions	35,700
Benefits paid	(2,500)
Remeasurement of plan asset allocated to the Company	<u>(34,800)</u>
<b>Fair value at end of year</b>	<b><u>32,200</u></b>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 24 Pension and other schemes (continued)

##### *Analysis of assets*

The major categories of scheme assets are as follows:

	2023	2022
	%	%
Equity instruments	20	15
Debt instruments	53	43
Other	27	42
	<u>100</u>	<u>100</u>

##### *Return on scheme assets*

	2023	2022
	£ 000	£ 000
Return on scheme assets	<u>(2,600)</u>	<u>(20,400)</u>

The pension scheme has not invested in any of the Company's own financial instruments or in properties or other assets used by the Company.

##### *Principal actuarial assumptions*

The principal actuarial assumptions at the balance sheet date are as follows:

	2023	2022
	%	%
Discount rate	5.70	4.80
Future pension increases	2.35	2.15
Inflation (RPI)	3.15	3.05
Inflation (CPI)	<u>2.35</u>	<u>2.15</u>

##### *Post retirement mortality assumptions*

	2023	2022
	Years	Years
Current UK pensioners at retirement age - male	21.40	24.10
Current UK pensioners at retirement age - female	23.00	25.60
Future UK pensioners at retirement age - male	22.20	25.00
Future UK pensioners at retirement age - female	<u>24.80</u>	<u>27.40</u>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 25 Called-up share capital

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

	2023		2022	
	No. 000	£ 000	No. 000	£ 000
Ordinary Shares of £1 each	<u>42,801</u>	<u>42,801</u>	<u>42,801</u>	<u>42,801</u>

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

#### 26 Capital and reserves

##### Share capital:

Ordinary share capital was provided on the Company's incorporation by its parent.

##### Revaluation reserve:

The revaluation reserve arises from revaluations of other financial assets.

##### Profit and loss account:

The profit and loss account is the accumulated profits and losses made by the Company since its incorporation.

#### 27 Operating lease commitments

##### Operating leases

The total of non-cancellable future minimum lease payments is as follows:

	2023	2022
	£ 000	£ 000
Within one year	641	452
Between one and five years	1	841
After five years	<u>842</u>	<u>-</u>
	<u>1,484</u>	<u>1,293</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £661,000 (2022 : £484,000).

#### 28 Dividends

	2023	2022
	£ 000	£ 000
Interim dividend of £Nil (2022 - £1.8458) per ordinary share	<u>-</u>	<u>79,000</u>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 29 Related party transactions

The company has taken advantage of the exemption under paragraph 33 of FRS 102 and therefore not disclosed transactions with its wholly owned subsidiaries and fellow undertakings.

#### Summary of transactions with entities with joint control or significant interest

Related parties with joint control or significant influence comprise entities subject to common control by the ultimate parent. These principally include the sub-group headed by Newarthill Limited, which includes the Sir Robert McAlpine construction group of companies, which are owned by the same shareholders as the parent of the RES Group.

All receivables and payables with related parties of the Company are transacted on an arm's length basis on normal commercial terms and conditions.

#### Income and receivables from related parties

	Entities with joint control or significant influence £ 000
<b>2023</b>	
Amounts receivable from related party	<u>88,199</u>

	Entities with joint control or significant influence £ 000
<b>2022</b>	
Amounts receivable from related party	<u>4,453</u>

#### Expenditure with and payables to related parties

	Entities with joint control or significant influence £ 000
<b>2023</b>	
Rendering of services	<u>4,397</u>

	Entities with joint control or significant influence £ 000
<b>2022</b>	
Rendering of services	<u>4,563</u>

## Renewable Energy Systems Limited

### Notes to the Financial Statements for the Year Ended 31 October 2023

#### 30 Parent and ultimate parent undertaking

The Company's immediate parent is Renewable Energy Systems Holdings Limited, incorporated in the United Kingdom.

The ultimate parent is The McAlpine Partnership Trust, incorporated in the United Kingdom.

The most senior parent entity producing publicly available financial statements is Renewable Energy Systems Holdings Limited and is the parent undertaking of the smallest and largest group to consolidate the statutory financial statements of the Company. These financial statements are available upon request from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ

The ultimate controlling party is The McAlpine Partnership Trust.

#### 31 Events after the financial period

On 1 March 2024 the Company completed the acquisition of Ingeteam S.A.'s renewable O&M services division for initial consideration of EUR 82.3 million (£70.4 million at the March 2024 GBP:EUR rate 1:1.1685). The agreement expands the wider RES group operations to 24 markets and makes it the world's largest independent provider of renewable energy services. The total consideration payable and fair value of the net assets and liabilities acquired are not yet determined due to the proximity of the acquisition to the Company's year end and the acquisition completion accounts exercise has not been finalised.

Post year end the Company provided additional loans to related parties totalling £20.0 million in January 2024 and received proceeds totalling £39.9 million from related party loans which were cancelled and repaid in March 2024.

Post year end, in January 2024, the Company declared an interim dividend of £0.148 per ordinary share, equating to a total cost of £6.3 million for the 42,801,000 shares in issue, which was paid to the immediate parent and sole shareholder Renewable Energy Systems Holdings Limited. In April 2024, the Company declared a further interim dividend of £1.519 per ordinary share, equating to a total cost of £65.0 million for the 42,801,000 shares in issue, which is payable to the immediate parent and sole shareholder Renewable Energy Systems Holdings Limited and added to the intercompany loan payable. In June 2024, the Company declared a further interim dividend of £2.453 per ordinary share, equating to a total cost of £105.0 million for the 42,801,000 shares in issue, which is payable to the immediate parent and sole shareholder Renewable Energy Systems Holdings Limited and added to the intercompany loan payable.

Solar Slate Limited  
Report and unaudited financial statements for year ended 31 October 2023

**Company Details**

**Directors**

M Patel  
H Norgaard Brandt

**Company Secretary**

D Hearth

**Registered Office**

Beaufort Court  
Egg Farm Lane  
Kings Langley  
Hertfordshire  
WD4 8LR

Solar Slate Limited  
Report and unaudited financial statements for year ended 31 October 2023

**Strategic Report**

**Review of the business**

The Company has been dormant as defined in section 1169 of the Companies Act 2006 throughout the year.

Key performance indicators are not considered necessary for an understanding of the development, performance or position of the business of the Company.

There are no risks or uncertainties facing the Company including those within the context of the use of financial instruments.

Approved by the Board and signed on its behalf by:

DocuSigned by:  
*Mitesh Patel*  
0710691083834C5...

M Patel  
Director  
28 June 2024

Solar Slate Limited  
Report and unaudited financial statements for year ended 31 October 2023

**Directors' Report**

The directors present their annual report and unaudited financial statements for the year ended 31 October 2023.

**Directors**

The directors who served throughout the year were as follows:

M Patel  
R Russell (Resigned 30 April 2024)  
H Norgaard Brandt (Appointed 3 May 2024)

Approved by the Board and signed on its behalf by:

DocuSigned by:  
*Mitesh Patel*  
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M Patel  
Director  
28 June 2024

Solar Slate Limited  
Report and unaudited financial statements for year ended 31 October 2023

**Balance Sheet As at 31 October 2023**

	Note	2023 £'000	2022 £'000
<b>Current Liabilities</b>			
Creditors: Amounts falling due within one year	4	<u>(9)</u>	<u>(9)</u>
<b>Net liabilities</b>		<b><u>(9)</u></b>	<b><u>(9)</u></b>
<b>Capital and reserves</b>			
Called up share capital	5	-	-
Capital contribution reserve	6	1,718	1,718
Profit and loss account	6	<u>(1,727)</u>	<u>(1,727)</u>
<b>Total equity</b>		<b><u>(9)</u></b>	<b><u>(9)</u></b>

Solar Slate Limited (registered number 07022531) did not trade during the current or preceding year and has made neither profit nor loss, nor any other items of comprehensive income.

For the year ending 31 October 2023 the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements on pages 5 to 7 were approved and authorised for issue by the Board of Directors on 28 June 2024.

Signed on behalf of the Board of Directors

DocuSigned by:  
*Mitesh Patel*  
0710691083834C5...

M Patel

Solar Slate Limited  
Report and unaudited financial statements for year ended 31 October 2023

**Notes to the Financial Statements For the year ending 31 October 2023**

**1. Accounting policy**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 2. The Company is dormant.

**2. Profit and loss account**

No profit and loss account is presented with these financial statements because the Company has not received income, incurred expenditure or recognised any other items of comprehensive income during the current or preceding financial year. There have been no movements in shareholders' funds during the current or preceding financial year and therefore no statement of changes to equity has been included.

**3. Information regarding directors and employees**

The Company had no employees during the current year. No emoluments were payable to the directors of the Company during the current year.

**4. Creditors**

	2023 £'000	2022 £'000
Amounts due to related parties	<u>9</u>	<u>9</u>

**5. Called up share capital**

	2023 No.	2023 £	2022 No.	2022 £
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

Solar Slate Limited  
Report and unaudited financial statements for year ended 31 October 2023

**6. Reserves**

Capital Contribution Reserve:

The capital contribution reserve arose in 2014 when an intercompany receivable from the Company's parent was written off.

Profit and Loss Account:

The profit and loss account is the accumulated profits and losses made by the Company since its incorporation.

**7. Related party transactions**

The cost of the annual return fee was borne by the Company's parent company without any right of reimbursement.

**8. Ultimate controlling party**

The Company's immediate controlling party is Renewable Energy Systems Limited, a company incorporated in the United Kingdom.

The Company's ultimate parent company is Renewable Energy Systems Holdings Limited, a company incorporated in the United Kingdom.

The Company's ultimate controlling party is The McAlpine Partnership Trust.

The parent undertaking of the largest and smallest group which includes the Company, and for which group accounts are prepared, is Renewable Energy Systems Holdings Limited, a Company incorporated in the United Kingdom. Copies of the group financial statements of Renewable Energy Systems Holdings Limited are available from Companies House, Crown Way, Cardiff CF14 3UZ.