

REGISTERED NUMBER: 10216419 (England and Wales)

EDEN GEOTHERMAL LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

UHY Hacker Young (Bham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND



EDEN GEOTHERMAL LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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EDEN GEOTHERMAL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2022**

DIRECTORS: R J Day (Chairman)
P W Kent
D Wilding
D James

SECRETARY: P C Newcombe

REGISTERED OFFICE: Eden Project
Bodelva
Par
Cornwall
PL24 2SG

REGISTERED NUMBER: 10216419 (England and Wales)

AUDITORS: UHY Hacker Young (Bham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

EDEN GEOTHERMAL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

REVIEW OF BUSINESS

The Company was set up specifically to deliver the ERDF research and development project on the site of the Eden Project in Cornwall. We have drilled and completed a single well in granite and set up a demonstration heat system to supply the Eden Project and its new nursery. The project has been delivered in good order despite the Covid Pandemic, Brexit and the war in Ukraine. The project is the first deep geothermal project in the UK to come on-line in 37 years, with the Eden Project drawing down the heat on a long term, commercial arms-length commitment.

With the completion of the first well, the intention is to continue planning for a second well to be drilled, linking the two wells deep underground through natural fracture zones in the rock formations, to allow super-heated water to flow to the surface to enable the production of electricity as well as heat. With a significantly delayed electricity connection date offered by the National Grid, no application was made by the Company in the recent round of Contracts for Difference by the UK Government, but we were pleased to see three Contracts for Difference awards being made to other geothermal projects.

We welcome the recent Government White Paper on Deep Geothermal Energy which encourages the alignment of Government and industry interests to deliver projects in the sector of real scale.

To date, the Company has been funded by the ERDF, Cornwall Local Council and GCP Geothermal Funding 1 Ltd ("Gravis"). The Board very much appreciates their support. In order to ensure the future viability of the project and ensure the Company continues to operate as a going concern, discussions are well in-hand for a debt-for-equity conversion of the Gravis debt of £9m into new equity in the Company.

EVENTS SINCE THE END OF THE YEAR

On 24th April 2023 the Department for Levelling Up, Housing and Communities, on behalf of the European Regional Development Fund, gave its approval for a Project Change Request to provide a further £530,000 of funding for the project, bringing the total approved funding to £16.197m. This funding enabled the company to successfully complete the ERDF project on 31st July 2023, all remaining funds have been received in full after the year end.

In October 2023 the shareholders have given their approval for GCP Geothermal Funding 1 Ltd to carry out a debt for equity exchange replacing its loan of £9m to the company, with £9m of new Ordinary C Shares.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

R J Day (Chairman)
P W Kent

EDEN GEOTHERMAL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2022

DIRECTORS - continued

Other changes in directors holding office are as follows:

A I C Grand - resigned 12 July 2022
D N Harland - resigned 7 November 2022
D Wilding - appointed 12 July 2022
D James - appointed 7 November 2022
T S Bennett – resigned 30 June 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

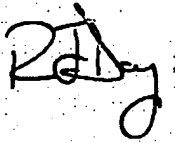
The auditors, UHY Hacker Young (Bham) LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

EDEN GEOTHERMAL LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2022**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'R J Day', with a stylized flourish at the end.

R J Day – Director and Chairman

Date: 15th December 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EDEN GEOTHERMAL LIMITED**

Opinion

We have audited the financial statements of Eden Geothermal Limited (the 'company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EDEN GEOTHERMAL LIMITED**

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EDEN GEOTHERMAL LIMITED**

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the company, which were contrary to applicable laws and regulations including fraud, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the United Kingdom Accounting Standards including FRS102. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to improper recognition of revenue and security of grant funding for the successful completion of phases 1 and 2 of the drilling project.

Audit procedures performed included: review of the financial statement disclosures to underlying supporting documentation, review of correspondence with and reports to the directors, including correspondence with legal advisors, enquiries of management in so far as they related to the financial statements, and testing of journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EDEN GEOTHERMAL LIMITED**

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 a Report of the Auditors 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.

Malcolm Winston

Malcolm Winston (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young (Bham) LLP, Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

Date: *15 December 2023*

EDEN GEOTHERMAL LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

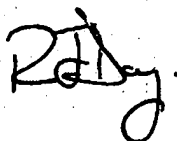
	Notes	2022 £	2021 £
TURNOVER		-	296,505
Cost of sales		<u>-</u>	<u>296,505</u>
GROSS PROFIT		-	-
OPERATING PROFIT		-	-
Interest receivable and similar income		<u>2,480</u>	<u>2,232</u>
		2,480	2,232
Interest payable and similar expenses	3	<u>-</u>	<u>14</u>
PROFIT BEFORE TAXATION		2,480	2,218
Tax on profit	4	<u>474</u>	<u>424</u>
PROFIT FOR THE FINANCIAL YEAR		2,006	1,794
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>2,006</u>	<u>1,794</u>

The notes form part of these financial statements

EDEN GEOTHERMAL LIMITED (REGISTERED NUMBER: 10216419)**BALANCE SHEET
31 DECEMBER 2022**

		2022		2021	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	5		23,736,507		18,525,468
CURRENT ASSETS					
Debtors	6	666,492		164,269	
Cash at bank and in hand		<u>271,781</u>		<u>117,431</u>	
		938,273		281,700	
CREDITORS					
Amounts falling due within one year	7	<u>276,878</u>		<u>713,948</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>661,395</u>		<u>(432,248)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			24,397,902		18,093,220
CREDITORS					
Amounts falling due after more than one year	8		<u>24,388,437</u>		<u>18,085,761</u>
NET ASSETS			<u>9,465</u>		<u>7,459</u>
CAPITAL AND RESERVES					
Called up share capital	11		4,140		4,140
Retained earnings	12		<u>5,325</u>		<u>3,319</u>
SHAREHOLDERS' FUNDS			<u>9,465</u>		<u>7,459</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15th December 2023 and were signed on its behalf by:



R J Day - Director and Chairman

The notes form part of these financial statements

EDEN GEOTHERMAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	4,140	1,525	5,665
Changes in equity			
Total comprehensive income	-	<u>1,794</u>	<u>1,794</u>
Balance at 31 December 2021	4,140	3,319	7,459
Changes in equity			
Total comprehensive income	-	<u>2,006</u>	<u>2,006</u>
Balance at 31 December 2022	4,140	5,325	9,465

The notes form part of these financial statements

EDEN GEOTHERMAL LIMITED

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

1. STATUTORY INFORMATION

Eden Geothermal Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In preparing these financial statements:

- the financial statements have been presented in pound sterling as this is the currency of the primary economic environment in which the company operates.
- the company has taken advantage of the disclosure exemption in section 7 of FRS102 for a small company not to prepare a statement of cash flows.
- in accordance with section 34.11 of FRS102 applied the requirements of IFRS6 Exploration for and Evaluation of Mineral Resources. Also when references are made to other IFRS's within IFRS6, the references will be taken to be relevant sections or paragraphs within FRS102.

Revenue

For all contracts with customers the Company recognises revenue when performance obligations have been satisfied. For most of the Company's contracts revenue is recognised over time as the customer simultaneously receives and consumes the benefits provided by the Company.

For each performance obligation satisfied over time, the Company recognises revenue over time by measuring progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict an entity's performance in transferring control of goods or services promised to a customer (i.e. the satisfaction of an entity's performance obligation). The nature of the goods or service that the entity promised to transfer to the customer determines the appropriate method for measuring progress. The Company mainly uses the output method as the core services provided include the initial connection to the Company's assets and then the ongoing supply of energy to the customer.

EDEN GEOTHERMAL LIMITED

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

2. ACCOUNTING POLICIES - continued

Financial instruments

Trade and other debtors/creditors.

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition debtors and creditors are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If a creditor arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Impairment of financial assets.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found an impairment loss is recognised within profit or loss.

For financial assets that are measured at amortised cost, the impairment loss is measured as the difference

between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference

between the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

EDEN GEOTHERMAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Assets under construction

Included within tangible fixed assets are assets under construction relating to the construction of a deep geothermal well site which will be used to access a geothermal heat deep underground as a long term sustainable energy source. Depreciation is not charged on assets under construction. When the asset is brought into use, it will be reclassified and depreciated over its estimated useful economic life.

Going concern

The directors have assessed the financial position of the company.

At 31st December 2022 the company had net current assets of £661,395 (2021: £432,248 current liabilities) and net assets of £9,465 (2021: £7,459).

At the end of July 2023, the company successfully completed its ERDF Project to drill a deep geothermal well, and install a heat main to supply heat to the Eden Project in Cornwall. The company received the final payment of the ERDF grant amounting to £485,930 after the year end, bringing the total ERDF grant to £16.197m. The site has now moved into an operation phase to supply heat to the Eden Project, and is working towards adding further customers for the heat.

Following the completion of the ERDF project, the shareholders have reached an agreement with GCP Geothermal Funding 1 Ltd to carry out a debt for equity exchange replacing its loan of £9m to the company, with £9m of new Ordinary C Shares.

The directors have assessed future cash flow forecasts, and consider that the restructuring, together with the final ERDF grant payment from the ERDF, will ensure that the company has sufficient resources to meet its liabilities as they fall due for at least 12 months from the signing of these financial statements, and have therefore signed these accounts on a going concern basis.

VAT

The principal activity of the company is the supply of heat and electricity for business purposes. VAT is recovered on inputs that relate to this supply, including VAT incurred on the construction of a geothermal well and power plants.

EDEN GEOTHERMAL LIMITED

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

3. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Interest payable	<u>-</u>	<u>14</u>

4. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	471	424
Prior year adj	<u>3</u>	<u>7</u>
Tax on profit	<u>474</u>	<u>424</u>

5. TANGIBLE FIXED ASSETS

	Assets under construction £
COST	
At 1 January 2022	18,525,468
Additions	<u>5,211,039</u>
At 31 December 2022	<u>23,736,507</u>
NET BOOK VALUE	
At 31 December 2022	<u>23,736,507</u>
At 31 December 2021	<u>18,525,468</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	52,239	-
VAT	117,407	103,955
Prepayments and accrued income	<u>496,846</u>	<u>60,314</u>
	<u>666,492</u>	<u>164,269</u>

EDEN GEOTHERMAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	15,137	380,873
Corporation tax	471	424
Social security and other taxes	10,693	15,651
Pension control	11,162	14,544
Other creditors	3,700	2,500
Accrued expenses	<u>235,715</u>	<u>299,956</u>
	<u>276,878</u>	<u>713,948</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other loans (see note 9)	8,443,750	7,643,390
Deferred income	<u>15,944,687</u>	<u>10,442,371</u>
	<u>24,388,437</u>	<u>18,085,761</u>

Included within deferred income is £1.4m (2021: £1.4m) grants received from Cornwall Council and £14.5m (2021: £9.0m) of grants received from European Regional Development fund. Relevant expenditure in relation to this grant has been included in assets under construction. Government grants will be recognised and deferred income released over the useful life of the asset, once assets under construction are transferred to tangible fixed assets and brought into use.

9. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Other loans	<u>8,443,750</u>	<u>7,643,390</u>

The £8.4m (2021: £7.6m) loan with GCP Geothermal Funding 1 Ltd is unsecured. There is a total loan facility of £8.5m at the balance sheet date of which Eden Geothermal have drawn down £8.4m (2021: £7.6m) The interest rate of the loan is 10% per annum. The terms of repayment were subject to agreement by a longship date of 31 December 2022.

EDEN GEOTHERMAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022****10. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	8,083	10,500
Between one and five years	30,000	30,583
In more than five years	<u>88,750</u>	<u>98,125</u>
	<u>126,833</u>	<u>139,208</u>

Commitments under operating leases relate to commitments which existed at the balance sheet date. All commitments at the balance sheet date relate to the operational site for the geothermal well.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022	2021
			£	£
4,140,000	Ordinary A	£0.001	4,140	4,140
100	Ordinary B	£0.001	<u> </u>	<u> </u>
			<u>4,140</u>	<u>4,140</u>

On 27 October 2020, 100 B shares were issued with a value of 10 pence. The B shares carry no voting rights, but rank equally with the A shares

12. RESERVES

	Retained earnings £
At 1 January 2022	3,319
Profit for the year	<u>2,006</u>
At 31 December 2022	<u>5,325</u>

13. ULTIMATE PARENT COMPANY

EGS Energy Limited is regarded by the directors as being the company's ultimate parent company.

EDEN GEOTHERMAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2022

14. CAPITAL COMMITMENTS

	2022	2021
	£	£
Contracted but not provided for in the financial statements	<u>648,544</u>	<u>538,328</u>

15. RELATED PARTY DISCLOSURES

During the year Eden Project Limited recharged costs of goods/services to Eden Geothermal Limited totalling £25,549 (2021: £28,051). Eden Geothermal Limited also recharged services to Eden Project Limited totalling £Nil (2021: £11,706). At the balance sheet date, there was an outstanding balance owed to Eden Project Limited of £5,534 (2021: £7,511 owed from).

During the year EGS Energy Limited recharged costs of goods/services to Eden Geothermal Limited totalling £21,000 (2021: £21,000). At the balance sheet date, there was an outstanding balance owed to EGS Energy Limited of £5,250 (2021: £5,250).

During the year Bestec (UK) Limited recharged payroll costs/travel and subsistence costs to Eden Geothermal Limited totalling £168,708 (2021: £231,329). In addition, wireline logging/testing and wellhead compensator services were provided to Eden Geothermal Limited totalling £278,157 (2021: £Nil). At the balance sheet date, there was an outstanding payroll balance owed to Bestec (UK) Limited of £4,882 (2021: £11,092).

Bestec GmbH is a sister company of Bestec (UK) Limited, a shareholder of Eden Geothermal Ltd. During the year Bestec GmbH provided rental wellhead equipment and other professional services totalling £5,487 (2021: £Nil). At the balance sheet date, there was no outstanding balance owed to Bestec GmbH.

GCP Geothermal Funding 1 Ltd is wholly owned by Gravis Capital Partners LLP, a shareholder of Eden Geothermal Ltd. During the year Eden Geothermal received a loan of £Nil (2021: £2,999,800) and was charged interest of £800,360 (2021: £572,019), there was an outstanding balance owed to GCP Geothermal Funding 1 Ltd of £8,443,750 (2021: £7,643,390).

16. POST BALANCE SHEET EVENTS

On 24th April 2023 the Department for Levelling Up, Housing and Communities, on behalf of the European Regional Development Fund, gave its approval for a Project Change Request to provide a further £530,000 of funding for the project, bringing the total approved funding to £16.197m. This funding enabled the company to successfully complete the ERDF project on 31st July 2023, all remaining funds have been received in full after the year end.

In October 2023 the shareholders have given their approval for GCP Geothermal Funding 1 Ltd to carry out a debt for equity exchange replacing its loan of £9m to the company, with £9m of new Ordinary C Shares.