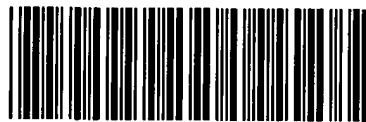


JERA NEX LIMITED (FORMERLY JERA GREEN LTD)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

TUESDAY



ADBT3UNF

A09

17/09/2024

#62

COMPANIES HOUSE

JERA NEX LIMITED

COMPANY INFORMATION

Directors Nathalie Oosterlinck (appointed 14 March 2023)
Satoshi Yajima (appointed 14 March 2023)
Steven Winn (appointed 4 April 2024)
Yoko Dochi (appointed 4 April 2024)
Alfonso Faubel (appointed 19 July 2024)
Susan Shehata (appointed 19 July 2024)

Registered number 11668305

Registered office 27 Bush Lane
London
EC4R 0AN

Independent auditors Ernst & Young LLP
1 More London Place
London
SE1 2AF

CONTENTS

	Page
Directors' Report	1 - 2
Directors' Responsibilities Statement	3
Independent Auditors' Report	4 - 7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10 - 11
Notes to the Financial Statements	12 - 29

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Directors

The directors who served during the year were:

Nathalie Oosterlinck (appointed 14 March 2023)
Ken Matsuda (resigned 4 April 2024)
Tomonori Ishiguro (resigned 14 March 2023)
Satoshi Yajima (appointed 14 March 2023)

Going concern

The financial statements have been prepared on the assumption that the Company will continue as a going concern. In assessing the Company's ability to continue as a going concern, the directors have considered the Company's cash flows, liquidity, and business activities. Cashflow forecasts have been prepared which reflect the impacts of the Company's recent acquisitions, as disclosed in Note 11, and the related increase in the Company's activities in support of the JERA Group's growth strategy.

JERA Co. Inc. (Parent Company) has committed to providing financial support to the Company for a period of 12 months from the date of approval of the Company's financial statements. Through inquiries of the Parent Company to understand available liquidity, the directors have assessed the Parent Company's ability to provide this support.

As a result, at the date of this statement, the directors conclude that the Company will be able to pay its liabilities as and when they fall due and that the Company has sufficient resources to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue. Accordingly, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

Future developments

The directors aim to maintain the management policies which have resulted in the Company's stability and future development. They believe that the Company is in a good position to support the development of its parent company's global strategy by acquiring green-energy portfolios as subsidiaries, with the long-term objective being the establishment of the JERA Group as one of the leading organisations in renewable energy.

Disclosure of information to auditors

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

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

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

Small companies note

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

This report was approved by the board on 12 September 2024 and signed on its behalf.

A solid black rectangular box used to redact the signature of the director.

Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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 and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Signed by:



Director

Date: 12 September 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JERA NEX LIMITED

Opinion

We have audited the financial statements of JERA Nex Limited (the 'Company') for the year ended 31 December 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes 1 to 22, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 2023 and of its loss 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JERA NEX LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JERA NEX LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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.

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 an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and the Companies Act 2006) and relevant tax compliance regulations in the jurisdictions in which the company operates.
- We understood how JERA Nex Limited is complying with those frameworks by making enquiries of management. We corroborated our enquiries through our review of board meeting minutes, correspondence received from regulatory bodies, as well as consideration of the results of our audit procedures across the company and did not identify any contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance indicators and their propensity to influence efforts made by management to manage revenue and earnings. We considered the programs and controls that the company has established to address risks identified. Where the risk was considered to be higher, including areas impacting the company's key performance indicators or management remuneration, we performed audit procedures to address each identified fraud risk or other risk of material misstatements. These procedures included testing of manual journal entries and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance and journal entry testing with a focus on journals meeting our defined risk criteria based

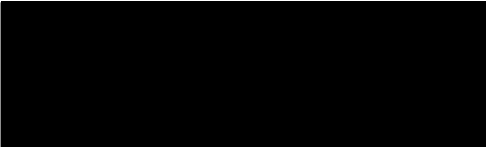
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JERA NEX LIMITED (CONTINUED)

on our understanding of the business.

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 Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



for and on behalf of Ernst & Young LLP, Statutory Auditor
London

12 September 2024

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £000	2022 £000
Turnover	4	1,601	1,179
Gross profit		1,601	1,179
Expenses	18	(13,739)	(1,365)
Operating loss		(12,138)	(186)
Gains on exchange of investments	8,11	2,593	-
Interest receivable and similar income	9	2,985	-
Loss before tax		(6,560)	(186)
Tax on loss	15	(21)	(13)
Loss for the financial year		(6,581)	(199)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Total comprehensive loss for the year		(6,581)	(199)

The notes on pages 12 to 29 form part of these financial statements.

There was no other comprehensive income for 2023 (2022:£Nil).

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £000	2022 £000
Fixed assets			
Tangible fixed assets	10	79	-
Deposit	12	21	51
Non-current prepayments	12	1,618	-
Investments	11	1,725,192	-
		<u>1,726,910</u>	<u>51</u>
Current assets			
Debtors: amounts falling due within one year	12	1,072	295
Cash at bank	13	29,311	794
		<u>30,383</u>	<u>1,089</u>
Creditors: amounts falling due within one year	14	(8,357)	(404)
Net current assets		<u>22,026</u>	<u>685</u>
Total assets less current liabilities		<u>1,748,936</u>	<u>736</u>
Provisions for liabilities			
Deferred tax	16	(21)	-
		<u>(21)</u>	<u>-</u>
Net assets		<u><u>1,748,915</u></u>	<u><u>736</u></u>
Capital and reserves			
Called up share capital	19	1,755,760	1,000
Profit and Loss account		(6,845)	(264)
		<u><u>1,748,915</u></u>	<u><u>736</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 September 2024.

Signed by

 Director

The notes on pages 12 to 29 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Called up share capital	Profit and loss account	Total equity
		£000	£000	£000
At 1 January 2023		1,000	(264)	736
Comprehensive income for the year				
Loss for the year		-	(6,581)	(6,581)
Other comprehensive income for the year				
		-	-	-
Total comprehensive loss for the year		-	(6,581)	(6,581)
Contributions by and distributions to owners				
Shares issued during the year	19	1,754,760	-	1,754,760
Total transactions with owners		1,754,760	-	1,754,760
At 31 December 2023		1,755,760	(6,845)	1,748,915

The notes on pages 12 to 29 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
At 1 January 2022	1,000	(65)	935
Comprehensive income for the year			
Loss for the year	-	(199)	(199)
Other comprehensive income for the year			
	-	-	-
Total comprehensive loss for the year	-	(199)	(199)
Total transactions with owners	-	-	-
At 31 December 2022	1,000	(264)	736

The notes on pages 12 to 29 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

JERA Nex Limited is a private company limited by shares, incorporated in England and Wales. The address of the registered office is 27 Bush Lane, London, United Kingdom, EC4R 0AN. The Company changed its name from Jera Green Ltd on 26 March 2024. The Company's principal activity is to provide office administrative services, its secondary activities relate to investment in green energy companies.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The adoption of FRS 101 has not led to material adjustments to the comparative figures previously reported under FRS 102, and the transition has not affected reported financial position, performance and cash flows.

The following material accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of JERA Co. Inc. as at 31 March 2024 and these financial statements may be obtained from JERA Co. Inc., Nihonbashi Takashimaya Mitsui Building 25th Floor 2-5-1 Nihonbashi, Chuo-ku, Tokyo.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. Accounting policies (continued)****2.4 Going concern**

The directors consider it appropriate to prepare the financial statements on a going concern basis. This assessment was based on the directors' consideration of the Company's cash flows, liquidity, and business activities. Cashflow forecasts have been prepared which reflect the impacts of the Company's recent acquisitions, further details disclosed in Note 11, and the related increase in the Company's activities in support of the JERA Group's growth strategy.

Furthermore, JERA Co. Inc. (Parent Company) has committed to providing financial support to the Company for a period of 12 months from the date of approval of the Company's financial statements. Through inquiries of the Parent Company to understand available liquidity, the directors have assessed the Parent Company's ability to provide this support.

As a result, at the date of this statement, the directors conclude that the Company will be able to pay its liabilities as and when they fall due and that the Company has sufficient resources to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue. Accordingly, the directors consider it appropriate to adopt the going concern basis in preparing the financial statements.

2.5 Impact of new international reporting standards, amendments and interpretations**Changes in accounting policy****New standards, interpretations and amendments effective**

Management regularly assesses the impact of new and amended International Financial Reporting Standards (IFRS) standards and interpretations. New and amended IFRS standards and interpretations are implemented from their mandatory effective dates at the latest.

Effective from 1 January 2023, we have implemented the following new or amended standards (IAS and IFRS) and interpretations:

- Narrow scope amendments to IAS 1 and IFRS Practice statement 2
- Narrow scope amendments to IAS 8 - Definition of Accounting Estimates
- IFRS 17 - Insurance Contracts
- Amendment to IAS 12 - Deferred taxation relating to assets and liabilities arising from a single transaction.
- Amendments to IAS 12 - International tax reform

The adoption of the new and amended standards has not had a material impact on the entity in the current and prior reporting periods and is not expected to have a material impact in future reporting periods.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is British Pounds GBP. All amounts have been rounded to the nearest thousand pound, unless otherwise indicated.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from providing services is recognised in the accounting period in which the services are rendered in exchange for fulfilling its performance obligations to customers, which is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously according to the contracts with customers.

The timing of satisfaction of its performance obligations relates to the typical timing of payment, obligations for returns, refunds and other similar obligations.

The principles in IFRS are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when the performance obligations are satisfied by the entity

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. Accounting policies (continued)****2.10 Pensions****Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax is measured using the balance sheet liability method, providing for all temporary differences between the carrying amounts and the tax base of assets and liabilities. Deferred tax is measured on the basis of management's planned use of the asset or settlement of the liability respectively. Deferred tax assets are recognised at the value at which they are expected to be utilised either by elimination against tax on future earnings or by offsetting against deferred tax liabilities.

Deferred tax is measured in accordance with the tax rules and tax rates that will apply under the legislation enacted at the balance sheet date when the deferred tax is expected to crystallise in the form of current tax. Changes in deferred tax as a result of changes in tax rates are recognised in profit / (loss) for the year. Deferred tax is only recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences, unused tax losses or credits can be utilised.

2.12 Tangible fixed assets

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.12 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Fixtures and fittings	-	20% per annum. Estimated useful life of 5 years.
Office equipment	-	33% per annum. Estimated useful life of 3 years.

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

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

2.13 Investments in subsidiaries, associates and joint ventures

Investments are measured at cost less accumulated impairment.

Investments are reviewed for impairment at each reporting date, if events and changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Associates and Joint Ventures are held at cost less impairment.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****2. Accounting policies (continued)****2.17 Financial instruments**

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Financial liabilities**Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.17 Financial instruments (continued)

expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.18 Share capital and equity

Ordinary shares are classified as equity. The incremental costs directly attributable to the issue of new shares or options are recognised in equity as a deduction in the income obtained, net of any tax.

Retained earnings constitute the cumulative total of all current and prior period profits and losses.

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

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for incomes and expenses during the period. However, the nature of estimation means that the actual outcomes could differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Impairment of investment

Investments are initially measured at cost, which is normally the transaction price. At the end of each reporting period, the company assesses whether there are any indicators its investments in subsidiaries and the joint venture are impaired. Where indicators of impairment are identified, the company tests for impairment in line with the requirements of IAS 36: Impairment of Assets for recognition and measurements. The estimate for the recoverable value of the investment is based on the expected cash flow from the future operations of the subsidiaries and joint venture.

In the year to 31 December 2023, impairment indicators were not identified and thus the company did not undertake an impairment test.

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £000	2022 £000
Service provided to non-group companies	51	50
Services provided to group companies	1,550	1,129
	<u>1,601</u>	<u>1,179</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2023	2022
	£000	£000
Auditors' remuneration	81	37

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

6. Employees

The average monthly number of employees, including directors, during the year was 9 (2022 - 6).

7. Directors' remuneration

	2023	2022
	£000	£000
Remuneration for qualifying services	40	237
	40	237

The number of directors for whom retirement benefits are accruing under defined contribution schemes amount to nil. (2022 - Nil)

8. Income from investments

	2023	2022
	£000	£000
Gains on exchange of investments	(2,593)	-
	(2,593)	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
9. Interest receivable and similar income

	2023	<i>2022</i>
	£000	<i>£000</i>
Other interest receivable	2,985	-
	<u>2,985</u>	<u>-</u>

Interest income constituted a new non-operational revenue stream this year thanks to large amounts of cash held in deposit accounts as a result of the increased capital injections facilitating the acquisition of investments.

10. Tangible fixed assets

	Fixtures and fittings £000	Office equipment £000	Total £000
Cost or valuation			
Additions	47	52	99
At 31 December 2023	<u>47</u>	<u>52</u>	<u>99</u>
Depreciation			
Charge for the year on owned assets	14	6	20
At 31 December 2023	<u>14</u>	<u>6</u>	<u>20</u>
Net book value			
At 31 December 2023	<u>33</u>	<u>46</u>	<u>79</u>
At 31 December 2022	<u>-</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Investments

	Investments in subsidiary companies £000	Investment in joint venture £000	Total £000
Cost or valuation			
Additions	1,642,096	83,096	1,725,192
At 31 December 2023	1,642,096	83,096	1,725,192
Net book value			
At 31 December 2023	1,642,096	83,096	1,725,192
At 31 December 2022	-	-	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Parkwind N.V.	Belgium	Off-shore green energy production.	Ordinary	100%
Green Power Ishikari Holdings	Japan	Off-shore green energy production.	Ordinary	96%

The Company acquired two subsidiaries this year, both in the form of offshore wind farm portfolios. The first was Parkwind N.V., acquired in July 2023, owning a portfolio of four off-shore wind farms in Belgium. The carrying value of this investment is £1,408,818,769.

The second, Green Power Ishikari Holdings, acquired in December 2023 as a result of an equity transfer agreement in the joint venture NJ Green Power G.K. realised in December 2023: detailed below. Ishikari Holdings is an offshore windfarm development project underway in Japan. The cost of the investment is £233,277,245.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Investments (continued)**Joint venture**

The following was a joint venture of the Company:

Name	Registered office	Principal activity	Holding
NJ Green Power G.K.	Japan	Investment in green energy portfolios.	5.46%

In July 2023, the Company invested in a green energy investment company NJ Green Power G.K. (NJGP) where the Company holds 18% interest.

Subsequently in December 2023, the Company and NJGP executed an equity transfer agreement which reduced the Company's interest in NJGP to 5.46% in exchange of the 96% interest in the subsidiary Green Power Ishikari Holdings. The Company recognised a gain of £2,593,035 from the equity transfer transaction."

The carrying value of the Company's investment in NJGP as of 31 December 2023 is £83,096,438 (31 December 2022: Nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Debtors

	2023 £000	2022 £000
Due after more than one year		
Deposits	21	51
Prepayments	1,618	-
	<u>1,639</u>	<u>51</u>
	2023 £000	2022 £000
Due within one year		
Trade debtors	-	30
Amounts owed by group undertakings	377	-
Prepayments	370	40
Accrued income	97	138
Other debtors	228	86
	<u>1,072</u>	<u>294</u>

Trade receivables from group undertaking are generally on terms of 30 to 90 days.

Prepayments pertain to the prepaid insurance for the period from January 2025 to July 2030.

Accrued income pertains to unbilled revenue with respect to administrative services rendered within the accounting period. This includes accruals for services rendered to related parties amounting to £96,650 as of 31 December 2023 (2022: £134,087).

Other debtors is mainly comprised of repayment from HMRC amounting to £45,657 (2022 - £31,990).

13. Cash at bank

	2023 £000	2022 £000
Cash at bank and in hand	29,311	794
	<u>29,311</u>	<u>794</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Creditors: Amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	98	7
Amounts owed to group undertakings	5,029	145
Other taxation and social security	1,921	104
Other creditors	14	-
Accruals and deferred income	1,295	148
	8,357	404

Trade creditors are generally on terms of 30 to 90 days.

Accruals include accrued payables to related parties amounting to £Nil as of 31 December 2023 (2022: £4,445).

15. Tax

Current tax expense for the period is £20,629 (2022 - £12,673).

	2023	2023
	£000	£000
Operating loss before tax	(6,560)	(187)
Tax on loss on ordinary activities at standard CT rate of 23.52% (PY: 19%)	(1,542)	(35)
Expenses no deductible for tax purposes incl. net capital loss	1,576	1
Tax rate difference	2	-
Utilisation of Prior year brought forward losses	(15)	-
Movement in deferred tax not recognised	-	47
	21	13

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

16. Deferred tax

	2023	2022
	£000	£000
Fixed asset timing differences	23	-
Short term timing differences	(2)	-
Total deferred tax (asset)/liability	21	-
Provision at start of period	-	13
Deferred tax charged in the profit and loss account for the period	21	(13)
Provision at end of period	21	-

The Finance Act 2021 increased the main rate of corporation tax to 25% from 1 April 2023. This rate was substantively enacted on 24 May 2021 and is, therefore, the rate at which deferred tax would unwind following April 2023. The Company's deferred tax balances are measured using the corporation tax rates that have been enacted at the statement of financial position date in which the temporary differences are forecast to reverse (25% for all the deferred tax recognised in the balance sheet as they are expected to reverse on or after 1 April 2023).

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised.

During the year beginning 1 January 2024, the net reversal of deferred tax assets and liabilities is expected to be £20,629. This is due to the reversal of fixed asset and other short-term timing differences.

17. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £34,168 (2022 - £6,600). Contributions payable amounted to £14,407 (2022 - £2,640) were payable to the fund at the balance sheet date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

18. Expenses

	2023	2022
	£000	£000
Wages and salaries	1,541	962
Legal and Professional	556	176
Rent - operating leases	321	72
Traveling and entertainment	282	105
Office expenses	97	31
Bank charges	2	2
Advertising	636	11
Losses on exchange rate	6,790	-
Fixed asset depreciation	20	-
Insurance	200	-
Irrecoverable VAT	3,287	-
Other	8	7
	13,740	1,366

This year an exceptional administrative expense is recorded in the form of input VAT, arising from project development services recharged from the ultimate parent company pertaining to the investments acquired this year, that was deemed irrecoverable. This amounted to £3,282,155 (2022 - £Nil).

In addition, this year saw the commencement of significant investment into a new joint venture and subsidiaries performed in both EUR and JPY. Timing differences between capital injections and investments across different currencies, as well as significant professional service charges relating to these investments resulted in a significant exchange rate variance of £6,789,671 (2022 - £Nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. Share capital

Authorised and issued and fully paid.

	31 December 2023 Number '000	31 December 2023 £000	31 December 2022 Number '000	31 December 2022 £000
Ordinary shares of £1.00 each	11,000	11,000	1,000	1,000
Ordinary shares of €1.00 each	1,655,560	1,423,955	-	-
Ordinary shares of ¥1.00 each	58,292,538	320,805	-	-
	59,959,098	1,755,760	1,000	1,000

The Company was incorporated on 8 November 2018 with an initial share capital of 100 fully paid ordinary shares of £1 each. On 10 January 2019, the Company increased its share capital by issuing a further 999,900 £1 nominal shares at £1.00 per share for £999,900. Throughout 2023 there were additional increases to the Company's share capital by further issuance of shares in GBP, EUR, and JPY. These amounted to total issues of £11,000,000, €1,655,560,000, and ¥58,292,537,892. These are valued at £1,754,760,281 (2022: £Nil). As a result of these issues, ordinary share capital is recognised amounting to £1,755,760,281 (2022: £1,000,000).

The shares have attached to them full voting, dividend and capital distribution rights. They do not confer any rights of redemption.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

20. Related party transactions

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December 2023, are as follows:

Related party transactions	Type of transaction	Transaction during the period 2023 £000	Balance owed 2023 £000	Transaction during the period 2022 £000	Balance owed 2022 £000
JERA Co., Inc.	As a customer	1,147	377	601	-
JERA Co., Inc.	As a supplier	(2,407)	(4,850)	(284)	(86)
JERA Power International B.V.	As a customer	304	(178)	429	46
GFS Renewable Energy Limited	As a customer	50	13	50	13
MC GFS Investment Company Limited	As a customer	50	11	49	12

The nature of the services agreements with the above related parties are to provide office administrative services, management and professional fees.

Transactions with related parties are settled in cash. The Company considers its directors as its key management personnel. During the year, there are no transactions between the Company and the directors.

JERA Co., Inc., based in Japan, is the ultimate parent company of JERA NEX Limited. JERA Power International B.V. which is based in Netherlands is a fellow subsidiary company of the JERA Co. Inc. GFS Renewable Energy Limited and MC GFS Investment Company Limited are both UK-based subsidiary companies of JERA Power International B.V.

21. Post balance sheet events

On 21 February 2024 and 25 March 2024, there were allotments of shares of ¥350,000,000 and ¥300,000,000 respectively. They were achieved by the increase in authorised capital, subsequently followed by the issue of these new shares for additional capitalisation.

Additional shares were issued to JERA Co., Inc. after 2023 amounting to £549,588,192 and ¥650,000,000. Details of the share issuances are as follows:

- On 21 February 2024 and 25 March 2024, shares amounting to ¥350,000,000 and ¥300,000,000, respectively, were issued to fund the additional capital contributions in NJGP.
- On 9 July 2024, shares amounting to £110,484,250 were issued for the purchase of 100% interest in a green energy investment company based in the United States.
- On 15 July 2024, shares amounting to £426,648,097 were issued to provide funding for the transfer of assets from JERA Power International B.V and JERA Formosa 3 Investment B.V.
- On 16 August 2024, shares amounting to £12,455,845 were issued for JERA Nex's operating costs.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. Ultimate parent undertaking and controlling party

The parent of the smallest group for which consolidated financial statements are drawn up, of which the Company is a member is Jera Co., Inc, a company registered in Japan. The registered office address of Jera Co., Inc is Nihonbashi Takashimaya Mitsui Building 25th Floor 2-5-1 Nihonbashi, Chuo-ku, Tokyo.