

REGISTERED NUMBER: 10216419 (England and Wales)

EDEN GEOTHERMAL LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

WEDNESDAY



ADEUGDYZ

A19

30/10/2024

#88

COMPANIES HOUSE

EDEN GEOTHERMAL LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	5
Profit and Loss Account	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

EDEN GEOTHERMAL LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023**

DIRECTORS:

R J Day
P W Kent
D Wilding
N Parker

SECRETARY:

P C Newcombe

REGISTERED OFFICE:

Eden Project
Bodelva
Par
Cornwall
PL24 2SG

REGISTERED NUMBER:

10216419 (England and Wales)

AUDITORS:

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

EDEN GEOTHERMAL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report with the financial statements of the company for the year ended 31 December 2023.

REVIEW OF BUSINESS

The Company was set up specifically to deliver an ERDF research and development project, on the site of the Eden Project in Cornwall, to drill a single deep geothermal well in granite and demonstrate greenhouse gas savings. In 2023, the company successfully completed the ERDF project, using the world's longest coaxial system to supply heat to the Eden Project's iconic biomes, offices and its new nursery. The project has been delivered in good order despite the Covid Pandemic, Brexit and the war in Ukraine, and the agreed ERDF funding of £16.197m has been received in full. The project is the first operational deep geothermal project in the UK in 37 years, supplying heat to the Eden on a long term, commercial arms-length agreement. The Project was funded by the ERDF, Cornwall Council and GCP Geothermal Funding 1 Ltd ("Gravis"), the Board very much appreciates their support.

The company is now moving forward in three areas:

- We 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, working to overcome the obstacles in obtaining finance caused by the significantly delayed electricity connection date offered by the National Grid;
- We are working to add further heat users on its site, the first is expected at the end of 2024;
- We are now offering the company's services to help develop other geothermal projects.

Since the start of our geothermal operations, it has been clear that the having a demonstration site is a key part of the development of the UK Deep Geothermal industry, the large number of visits to our site from a wide spectrum of interested parties shows that there is a big appetite to make deep geothermal an integral part of the UK's energy solution for the future.

We have seen a lot of positive developments in the geothermal industry, including the launch of the UK National Geothermal Centre in June 2024, and the relaunch of the All Party Parliamentary Group for Deep Geothermal in September 2024.

EVENTS SINCE THE END OF THE YEAR

In June 2024, GCP Geothermal Funding 1 Ltd completed a debt for equity swap, converting the loan balance to 9,500,000 C Ordinary shares in the capital of the Company at a subscription price of £1 per share.

In August 2024, shareholders consented to the allotment and issue of up to 12,500,00 A Ordinary Shares and 12,500,000 B Ordinary Shares each in the capital of the Company at a subscription price of £0.01 per share. Half of these shares have been issued to date, while the remaining shares are expected to be issued in the coming months.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2023 to the date of this report.

R J Day
P W Kent
D Wilding

EDEN GEOTHERMAL LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS - continued

Other changes in directors holding office are as follows:

T S Bennett - resigned 30 June 2023

D James – resigned 18 June 2024

N Parker – appointed 18 June 2024

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

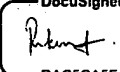
The auditors, UHY Hacker Young (Birmingham) LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

EDEN GEOTHERMAL LIMITED

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

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:

DocuSigned by:

DAC5CASF4A3940E...
P W Kent - Director

25 October 2024

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 2023 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 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 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 (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young (Birmingham) LLP,
Statutory Auditor
9-11 Vittoria Street
Birmingham
B1 3ND

25 October 2024

EDEN GEOTHERMAL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023**

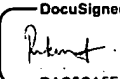
	Notes	2023 £	2022 £
TURNOVER		15,000	-
Administrative expenses		<u>275,501</u>	<u>-</u>
		(260,501)	-
Other operating income		<u>136,815</u>	<u>-</u>
OPERATING LOSS	4	(123,686)	-
Impairment loss	5	<u>9,333,910</u>	<u>-</u>
		(9,457,596)	-
Interest receivable and similar income		<u>4,080</u>	<u>2,480</u>
		(9,453,516)	2,480
Interest payable and similar expenses	6	<u>381,359</u>	<u>-</u>
(LOSS)/PROFIT BEFORE TAXATION		(9,834,875)	2,480
Tax on (loss)/profit	7	<u>-</u>	<u>474</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(9,834,875)	2,006
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(9,834,875)</u>	<u>2,006</u>

The notes form part of these financial statements

EDEN GEOTHERMAL LIMITED (REGISTERED NUMBER: 10216419)**BALANCE SHEET
31 DECEMBER 2023**

	Notes	2023		2022	
		£	£	£	£
FIXED ASSETS					
Tangible assets	8		17,529,654		23,736,507
CURRENT ASSETS					
Debtors	9	56,065		666,492	
Cash at bank and in hand		<u>204,261</u>		<u>271,781</u>	
		260,326		938,273	
CREDITORS					
Amounts falling due within one year	10	<u>618,934</u>		<u>276,878</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(358,608)</u>		<u>661,395</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			17,171,046		24,397,902
CREDITORS					
Amounts falling due after more than one year	11		(26,296,456)		(24,388,437)
PROVISIONS FOR LIABILITIES	14		<u>(700,000)</u>		<u>-</u>
NET (LIABILITIES)/ASSETS			<u>(9,825,410)</u>		<u>9,465</u>
CAPITAL AND RESERVES					
Called up share capital	15		4,140		4,140
Retained earnings	16		<u>(9,829,550)</u>		<u>5,325</u>
SHAREHOLDERS' FUNDS			<u>(9,825,410)</u>		<u>9,465</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25 October 2024 and were signed on its behalf by:

DocuSigned by:

 DAC5CA5F4A3940E...

P W Kent - Director

The notes form part of these financial statements

EDEN GEOTHERMAL LIMITED

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2022	4,140	3,319	7,459
Changes in equity			
Total comprehensive income	<u>-</u>	<u>2,006</u>	<u>2,006</u>
Balance at 31 December 2022	<u>4,140</u>	<u>5,325</u>	<u>9,465</u>
Changes in equity			
Total comprehensive income	<u>-</u>	<u>(9,834,875)</u>	<u>(9,834,875)</u>
Balance at 31 December 2023	<u><u>4,140</u></u>	<u><u>(9,829,550)</u></u>	<u><u>(9,825,410)</u></u>

The notes form part of these financial statements

EDEN GEOTHERMAL LIMITED

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

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.

Significant judgements and estimates

Decommissioning costs involve estimating future expenses to dismantle and restore assets, which are subject to significant uncertainty. This uncertainty arises from factors such as changes in regulations, advancements in technology, fluctuations in labour and material costs, and the timing of decommissioning activities. As these estimates involve judgment, they are reviewed regularly, taking expert advice where appropriate, and adjusted to reflect updated information or changes in assumptions.

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 2023

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.

Capitalisation policy

The costs incurred during the construction of the ERDF Project assets have been capitalised in full including overheads incurred.

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Depreciation policy

All assets will be depreciated on a straight-line basis over their estimated useful lives. This method is chosen to reflect the even consumption of the economic benefits of the assets over time.

- ERDF Project Assets: The economic life of the assets from the ERDF project has been assessed as 35 years;
- Temporary Office Buildings: These assets will be depreciated over a period of 5 years, reflecting their temporary nature and shorter useful life.

Grant release policy.

ERDF Project Assets: The capital grants received from ERDF and Cornwall Council will also be released over the same 35-year economic life period. The release of the capital grants is linked to the depreciation to ensure both are fully amortised over the same duration.

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.

The impairment loss for the ERDF Project Assets is measured as the difference between the asset's carrying amount and the value of the associated capital grants.

EDEN GEOTHERMAL LIMITED

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

2. ACCOUNTING POLICIES - continued

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.

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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The directors have assessed the financial position of the company.

At 31st December 2023, the company had net current liabilities of £358,608 (2022: £661,395 net current assets) and net liabilities of £9,825,410 (2022: £9,465 current assets).

Recognising the challenges of its financial position at the end of 2023, the company has carried out a substantial financial restructuring. Firstly, in June 2024 it reached an agreement with GCP Geothermal Funding 1 Ltd to carry out a debt for equity exchange replacing its loan of £9.5m to the company, with £9.5m of new Ordinary C Shares. Secondly, in August 2024 the shareholders agreed to issue additional share capital introducing a further £250k into the company.

The company has agreed a revised agreement to supply heat to the Eden Project, and negotiations to add a further customer for the heat are at an advanced stage. The company has also started to bring in revenue for its consultancy services.

The directors have assessed future cash flow forecasts, and consider that the restructuring, 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.

EDEN GEOTHERMAL LIMITED

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

2. ACCOUNTING POLICIES - continued

VAT

The principal activity of the company is the supply of heat 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.

3. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	47,820	-
Social security costs	5,720	-
Other Pension costs	2,641	-
	<u>56,181</u>	<u>-</u>

Payroll costs capitalised during the year was as follows:

	2023	2022
	£	£
Wages and salaries	184,400	443,671
Social security costs	20,285	52,295
Other Pension costs	3,431	18,082
	<u>208,116</u>	<u>514,048</u>

The average number of employees during the year was as follows:

	2023	2022
	£	£
Administration	<u>5</u>	<u>9</u>
	<u>5</u>	<u>9</u>

	2023	2022
	£	£
Directors' remuneration	<u>23,014</u>	<u>112,661</u>
	<u>23,014</u>	<u>112,661</u>

EDEN GEOTHERMAL LIMITED

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

4. OPERATING LOSS

The operating loss is stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	<u>128,763</u>	<u>-</u>

5. IMPAIRMENT CHARGE

	2023	2022
	£	£
Impairment loss	<u>(9,333,910)</u>	<u>-</u>

The economic life of the assets from the ERDF project has been assessed as 35 years. The grants received from ERDF (£16.197m) and Cornwall Council (£1.4m) will also be released over the same 35-year period. An impairment charge has been recognised to align the value of the assets from the ERDF project to the grant funding received and the actual economic benefit expected to be derived.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Loan Interest	<u>381,359</u>	<u>-</u>

7. TAXATION

Analysis of the tax charge

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	-	471
Prior year adj	<u>-</u>	<u>3</u>
Tax on (loss)/profit	<u>-</u>	<u>474</u>

EDEN GEOTHERMAL LIMITED

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

8. TANGIBLE FIXED ASSETS

	Assets under construction £	Plant and machinery £	Totals £
COST			
At 1 January 2023	23,736,507	-	23,736,507
Additions	-	3,255,820	3,255,820
Impairments	-	(9,333,910)	(9,333,910)
Reclassification/transfer	<u>(23,736,507)</u>	<u>23,736,507</u>	<u>-</u>
At 31 December 2023	<u>-</u>	<u>17,658,417</u>	<u>17,658,417</u>
DEPRECIATION			
Charge for year	<u>-</u>	<u>128,763</u>	<u>128,763</u>
At 31 December 2023	<u>-</u>	<u>128,763</u>	<u>128,763</u>
NET BOOK VALUE			
At 31 December 2023	<u>-</u>	<u>17,529,654</u>	<u>17,529,654</u>
At 31 December 2022	<u>23,736,507</u>	<u>-</u>	<u>23,736,507</u>

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	-	52,239
VAT	4,401	117,407
Prepayments and accrued income	<u>51,664</u>	<u>496,846</u>
	<u>56,065</u>	<u>666,492</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	42,150	15,137
Corporation tax	-	471
Social security and other taxes	2,203	10,693
Pension control	820	11,162
Other creditors	-	3,700
Deferred income	502,771	-
Accrued expenses	<u>70,990</u>	<u>235,715</u>
	<u>618,934</u>	<u>276,878</u>

EDEN GEOTHERMAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023****11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023	2022
	£	£
Other loans (see note 12)	9,327,918	8,443,750
Deferred income	<u>16,968,538</u>	<u>15,944,687</u>
	<u>26,296,456</u>	<u>24,388,437</u>

Deferred income includes £1.35m (2022: £1.4m) grants received from Cornwall Council and £15.6m (2022: £14.5m) of grants received from European Regional Development fund. The grants will be recognised and deferred income released over the expected useful life of the asset of 35 years. The relevant expenditure in relation to these grants has been included in plant and machinery.

12. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due in more than five years:		
Repayable by instalments		
Other loans	<u>9,327,918</u>	<u>8,443,750</u>

The £9.3m (2022: £8.4m) loan with GCP Geothermal Funding 1 Ltd is unsecured. The interest rate of the loan is 10% per annum.

In June 2024, GCP Geothermal Funding 1 Ltd completed a debt for equity swap, converting the loan balance to 9,500,000 C Ordinary shares in the capital of the Company at a subscription price of £1 per share.

13. LEASING AGREEMENTS

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

	2023	2022
	£	£
Within one year	7,500	8,083
Between one and five years	30,000	30,000
In more than five years	<u>83,125</u>	<u>88,750</u>
	<u>120,625</u>	<u>126,833</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.

EDEN GEOTHERMAL LIMITED

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

14. PROVISIONS FOR LIABILITIES

	2023 £	2022 £
Other provisions		
Provision for well reinstatement	<u>700,000</u>	<u>-</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
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

16. RESERVES

	Retained earnings £
At 1 January 2023	5,325
Deficit for the year	<u>(9,834,875)</u>
At 31 December 2023	<u>(9,829,550)</u>

17. ULTIMATE PARENT COMPANY

Gcp Geothermal Funding 1 Limited is regarded by the directors as being the company's ultimate parent company.

Gravis Geothermal Holdings 1 Limited is regarded by the directors as being the company's ultimate parent company. From June 2024, Gravis Geothermal Holdings 1 Limited has replaced EGS Energy Limited as the ultimate parent company.

18. CAPITAL COMMITMENTS

	2023 £	2022 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>2,314,370</u>

EDEN GEOTHERMAL LIMITED

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

19. RELATED PARTY DISCLOSURES

During the year Eden Project Limited recharged costs of goods/services to Eden Geothermal Limited totalling £11,859 (2022: £25,549). Eden Geothermal Limited also recharged services to Eden Project Limited totalling £11,124 (2022: £Nil). At the balance sheet date, there was an outstanding balance owed to Eden Project Limited of £2,270 (2022: £5,534).

During the year EGS Energy Limited recharged costs of goods/services to Eden Geothermal Limited totalling £20,675 (2022: £21,000). At the balance sheet date, there was an outstanding balance owed to EGS Energy Limited of £Nil (2022: £5,250). Eden Geothermal Limited also recharged services to EGS Energy Limited totalling £12,645 (2022: £Nil). At the balance sheet date, there was an outstanding balance owed to Eden Geothermal Limited of £Nil (2022: £Nil).

During the year Bestec (UK) Limited recharged payroll costs/travel and subsistence costs to Eden Geothermal Limited totalling £74,423 (2022: £168,708). In addition, wireline logging/testing and wellhead compensator services were provided to Eden Geothermal Limited totalling £Nil (2022: £278,157). At the balance sheet date, there was an outstanding payroll balance owed to Bestec (UK) Limited of £Nil (2022: £4,882).

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 £Nil (2022: £5,487). At the balance sheet date, there was no outstanding balance owed to Bestec GmbH.

GCP Geothermal Funding 1 Ltd is wholly owned by Gravis Geothermal Holdings 1 Limited, a shareholder of Eden Geothermal Ltd. During the year Eden Geothermal received a loan of £Nil (2022: £Nil) and was charged interest of £884,168 (2022: £800,360), there was an outstanding balance owed to GCP Geothermal Funding 1 Ltd of £9,327,918 (2022: £8,443,750).

20. POST BALANCE SHEET EVENTS

In June 2024, GCP Geothermal Funding 1 Ltd completed a debt for equity swap, converting the loan balance to 9,500,000 C Ordinary shares in the capital of the Company at a subscription price of £1 per share.

In August 2024, shareholders consented to the allotment and issue of up to 12,500,00 A Ordinary Shares and 12,500,000 B Ordinary Shares each in the capital of the Company at a subscription price of £0.01 per share. Half of these shares have been issued to date, while the remaining shares are expected to be issued in the coming months.