

# Wartsila Energy Storage UK Limited

Annual report and financial statements

For the period 27 November 2023 to 31 December 2024

Registered number 15309674



**Wartsila Energy Storage UK Ltd**

**Company Information**

Directors	J. L. Proctor - Appointed 27 November 2023 R. P. Walsh - Appointed 27 November 2023
Company Secretary	J. L. Proctor
Registered number	15309674
Registered office	Spinnaker House Waterside Gardens Fareham PO16 8SD
Independent Auditors	Azets Audit Services Limited Carnac Place, Cams Hall Estate Fareham PO16 8UY
Bankers	Nordea Bank Abp 6th Floor 5 Aldermanbury Square London EC2V 7AZ

**Contents**

	<b>Page</b>
Strategic report	<b>3</b>
Directors' report	<b>5</b>
Directors' responsibilities statement	<b>7</b>
Independent auditors' report to the members of Wartsila Energy Storage UK Limited	<b>8</b>
Profit and Loss account	<b>11</b>
Statement of comprehensive income	<b>12</b>
Balance sheet	<b>13</b>
Statement of changes in equity	<b>14</b>
Notes to the financial statements	<b>15</b>

## Wartsila Energy Storage UK Ltd

### Strategic report for the year ended 31 December 2024

Wartsila Energy Storage UK Limited is a private company limited by shares, and registered in Hampshire, England.

The Directors present their Strategic report together with the audited financial statements for Wartsila Energy Storage UK Limited ('the Company') for the period from 27 November 2023 to 31 December 2024.

#### Principal activities

The principal activities of the company are to be a global leader in innovative technologies and life cycle solutions for the energy market. Wartsila Energy Storage UK Limited provides the industry's broadest range of services for power generation. The service solutions range from providing spare parts and support to ensuring maximised lifetime with increased efficiency and guaranteed performance of customers' equipment or installation through long term service and maintenance contracts – in a safe, reliable, and environmentally sustainable way.

#### Business review

The strategic objective is to continue as leaders in our chosen market. This objective will be achieved through continuous product development, a focus on engineering excellence, the building of exceptional customer relationships and a culture of whole product life cycle support.

The Key Performance Indicators (KPI's) for the company are provided in a table below and are designed to give a balanced picture of progress and performance. Where projects are undertaken with specific objectives, these projects will have separate KPI's designed to ensure a successful outcome to the project. There are no comparative figures for 2023, as 2024 is the first reporting period.

	2024 £'000
Turnover	133,934
Operating profit before tax	120
Profit for the year	90
Shareholders' equity	90

In addition the following non-financial KPI is monitored by the business:

Number of lost time injuries; 0 lost time injury was incurred in 2024.

#### Financial Position

The Company's financial position has net current assets of £56k, and total shareholders' funds of £90k at the balance sheet date. No dividend was paid in the year.

#### Risks and Uncertainties

##### Trading Risk:

The Company continues to focus on quality and technical excellence as key differentiators in the markets it serves. Whilst price competition from low cost areas of manufacture remains a risk, the strategy of maintaining technical leadership has proven to provide good mitigation against competitive risk.

The Company has considered potential risks from the war in Ukraine and ongoing changes to tariffs in the United States of America, and has determined that due to having no business or supplies in or from these areas, there is no current risk to mitigate.

**Strategic report (continued)**  
**for the year ended 31 December 2024**

**Reporting on Compliance with Section 172 Requirements**

In performance of their statutory duties and in accordance with s172 (1) Companies Act 2006, the board of directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1) (a-f) of the act) in the decisions taken during the year ended 31 December 2024.

Each year, the Board reviews the performance of the Company. In making decisions the Board has regard to a variety of matters including the interests of various stakeholders and the consequences of its decisions in the long term and its long-term reputation.

The following paragraphs summarise how the Directors fulfil their duties:

*Long Term Decision Making*

As our business develops, changes and becomes more complex, it is vital that risks are effectively identified, evaluated, managed and mitigated and that our approach to risk management continues to evolve to support the long term strategy of the Company. Details of our principal risks and uncertainties and our approach to managing them are noted above.

Culture and values underpin how the Company creates and sustains value over the longer term and are key elements of how it maintains a reputation for high standards of business conduct. The standards set by the Board and by Wartsila Group, mandate certain requirements and behaviours with regard to the activities of its Directors, employees and others associated with it. The culture throughout Wartsila and the wider group is one that promotes engagement, collaboration, and development of employees for the mutual benefit of the business and those working within the organisation.

*Employee Interests*

The Directors pursue a policy to promote diversity and inclusion among employees. The Company is committed to being a responsible business and our behaviour is aligned with the expectations of our employees, customers and investors. For the business to succeed, we need to manage our employees' performance and develop and bring through talent whilst ensuring that we operate as efficiently as possible. All employees are set individual goals and annual development reviews are undertaken. The Company carries out regular engagement surveys, the results of which are shared with employees and used to formulate future strategy. The Directors also communicate to its employees through email, the Intranet, a social media tool called Yammer and hold town hall meetings.

*Business Relationships*

The Company is 100% owned by Wärtsilä Energy Storage Finland Oy. As such, the Board maintain close working relationships with the Group head office and the strategies of the Company are closely aligned with the larger Group.

The Company trades with customers globally, and as such the Board delegate the ownership of customer relations to the sales team who co-ordinate activities through their regional teams which are supported by the wider Group. This allows the Company to understand and work efficiently with its customers whilst maintaining high levels of service. Understanding the needs of our customers is central to the success of the business and this underlines the importance of maintaining strong relationships with our customer base.

The Board delegates the maintenance and building of supplier relations to a Group managed purchasing team, which works to identify and foster key supplier relationships to the mutual benefit of our business and our suppliers. By having preferred suppliers, the business focuses on quality and reliability of our supply chain whilst driving value for money.

*Environment*

Wartsila acknowledges climate change and other environmental impacts are both global as well as local concerns, and the Company strives to minimise its impact. Wartsila is committed to working in an environmentally responsible and efficient manner and strives to minimise its environmental footprint.

For Wartsila, environmental responsibility has two dimensions: products and operations. Most of the efforts to improve our environmental performance, including our operations, are conducted as part of the product development and improvement processes. This work is supported by operational measures, which are based on achieving high environmental standards and which seek constant improvement. We are also committed to continuous improvement in our environmental and social performance activities to avoid causing harm to those communities located close to our operations. Further details on this can be found on the Wartsila Group website [www.wartsila.com](http://www.wartsila.com) and in the Annual Report that can also be accessed from the website.

This report was approved by the board on 17 September 2025 and signed by order of the board



**J. L. Proctor**  
Director

## Wartsila Energy Storage UK Ltd

### Directors' report for the year ended 31 December 2024

The Directors present their report and the audited financial statements of Wartsila Energy Storage UK Limited ('the Company') for the year ended 31 December 2024.

#### Results and dividends

The profit for the financial year, after taxation, amounted to £90k.

No dividend was declared or paid during 2024.

#### Directors

The following served as Directors during the year and to the date of this report:

J. L. Proctor - Appointed 27 November 2023

R. P. Walsh - Appointed 27 November 2023

#### Political contributions

The Company made no political or charitable donations during the year.

#### Financial risk management

##### Price risk

The Company is exposed to commodity price risk, principally for certain raw materials and so the company buys when prices with vendors are competitive in order to manage the impact of price movements on its gross margin. Such purchases are made to satisfy only known orders.

##### Liquidity risk

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs. The Company funding has been managed through a group revolving credit facility, short-term liquidity forecasting is undertaken on a weekly basis and is reviewed by the Group Treasury Department.

##### Cash flow risk

Detailed cash flow forecasts are prepared on a weekly basis with the objective of alerting Group Treasury to possible funding requirements. The Company operates its banking facilities within a Group Cash Pooling arrangement mitigating the effects of liquidity risks.

##### Exchange rate risk

Wartsila Energy Storage UK Limited operates in a global marketplace, and as such is exposed to foreign exchange rate risk. The company buys and sells in the same foreign currencies where possible and also enters into forward exchange contracts, which mitigates this risk.

##### Interest rate risk

The Company has intercompany lending on which interest is paid at a fixed rate. The Company has no external borrowings and it has been deemed unnecessary to hedge any interest rate risk.

#### Future developments

The Company's purpose is to enable sustainable societies with smart technology. The demand for clean and flexible energy and the need for efficient and safe transportation are increasingly affecting the way that customers operate. This forms the basis for the Company's offering of smart solutions to the marine and energy markets. The Company constantly seeks new ways to maintain high quality, cost efficiency and the focus on digitalisation to create a strong foundation for securing and strengthening a position at the forefront of market innovation.

#### Employee engagement

The spread of the Company's business and the devolution of responsibility to local management means involving employees. Team briefings, management forums, employee councils, Wartsila intranet and in house newsletters are the main methods used to ensure that employees are well informed and given the forums in which to express their views and concerns regarding all areas of the business.

Employees are able to participate in a bonus scheme that is linked to the performance of the Company, the wider Group and local factors they are able to directly to control.

Occupational health and safety matters continue to receive management attention at all levels.

It is the policy of the Company and its ultimate parent, Wärtsilä Corporation, Finland, to offer equal employment opportunities to those who are disabled, provided it is practicable to offer them suitable employment, and to make every effort to provide appropriate employment for employees who become disabled. Furthermore it is the intention to give disabled people opportunities for training, career development and promotion consistent with their capabilities.

**Directors' report (continued)  
for the year ended 31 December 2024**

The Directors have engaged directly with employees in their respective divisions during the team briefings, and have been able to advise during this on the performance of the company, economic factors affecting the Company and all developments and changes affecting the employees, giving them the opportunity to ask questions and view concerns.

**Communication with suppliers, customers and others**

The Company operates a "Code of Conduct" to which all associates are expected to adhere to and receive regular training on. It sets out how the Company's associates are expected to act in their day to day business activities. In conjunction with the Company's values, it provides a rock-solid foundation on which trust can grow – trust that is essential if the company is to grow and be successful for the benefit of all its stakeholders.

This includes, but is not limited to:

- Lawful, regulation-compliant, responsible, and fair conduct;
- Avoiding conflicts of interest;
- Keeping confidential information secret and handling sensitive data responsibly;
- Observing rules of fair competition, create unambiguous and documented agreements with suppliers and customers, and have a zero-tolerance to corruption in any form;
- Respect for the intellectual property of third parties.

The company's management team is responsible for compliance to the code.

**Going concern**

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue trading for a period of at least 12 months from the date of these financial statements. In stress tests, cash inflows and therefore revenues would need to reduce significantly in the 12 months from the period of signing this annual report before it would be necessary to take additional actions. The Directors have obtained a letter of support from the ultimate parent Company, Wärtsilä Corporation for a period of at least 12 months following the signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Company's Directors have assessed that there are no material uncertainties surrounding the going concern of the entity, Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Energy and carbon reporting**

The company is determined to protect the environment and reduce its carbon footprint. As per changes introduced in the 2018 regulations of the Companies Act 2006, the Directors of the Company are required to report on the below energy and carbon information relating to the Company:

The company is classified as a low energy user, consuming 40,000 kWh or less in the reporting period, and is therefore exempt from providing detailed energy and carbon information under SECR regulations

**Independent auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and Azets Audit Services Limited will therefore continue in office.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act of 2006.

This report was approved by the board on 17 September 2025, and signed by order of the board



**J. L. Proctor**  
Director

Date: 17 September 2025

Spinnaker House  
Waterside Gardens, Fareham  
PO16 8SD

**Directors' responsibilities statement  
for the year ended 31 December 2024**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant and reliable;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101 have been followed, subject to any material departures disclosed the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARTSILA ENERGY STORAGE UK LIMITED**

**Opinion**

We have audited the financial statements of Wartsila Energy Storage UK Limited (the 'company') for the year ended 31 December 2024 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 company's affairs as at 31 December 2024 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 Auditor responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

We have nothing to report in this regard.

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

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and director's report have been prepared in accordance with other 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 strategic report or director's 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.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we design procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Use of our report**

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

*Azets Audit Services*

Zara Hogg FCA, BA (Hons) (Senior Statutory Auditor)  
For and on behalf of Azets Audit Services

Chartered Accountants  
Statutory Auditor

Date: 17 September 2025

Carnac Place  
Cams Hall Estate  
Fareham  
Hampshire  
PO16 8UY

## Wartsila Energy Storage UK Ltd

### Profit and Loss Account for the year ended 31 December 2024

	<i>Note</i>	<b>2024</b> £'000
<b>Turnover</b>	<b>2</b>	<b>133,934</b>
Change in stocks of finished goods and work in progress		618
Raw material and consumables		(116,721)
<b>Gross profit</b>		<u>17,831</u>
Staff costs	<b>3</b>	(2,078)
Depreciation and other amounts written off tangible and intangible fixed assets		(25)
Other operating expenses		(15,561)
Other operating income		103
<b>Operating profit</b>	<b>4</b>	<u>270</u>
Interest receivable and similar income	<b>6</b>	209
Interest payable and similar expenses	<b>7</b>	(359)
<b>Profit before taxation</b>		<u>120</u>
Taxation on profit	<b>8</b>	(30)
<b>Profit for the financial year</b>		<u><u>90</u></u>

The accompanying notes to the financial statements on pages 15-25 are an integral part of the Company's financial Statements.

**Wartsila Energy Storage UK Ltd**

**Statement of comprehensive income**  
*for year ended 31 December 2024*

	Note	2024 £'000
<b>Profit for the financial year</b>		<u>90</u>
<b>Other comprehensive (expense)/income:</b>		
<i>Items that will not be reclassified to profit or loss:</i>		
<b>Other comprehensive expense for the year, net of income tax</b>		<u>-</u>
<b>Total comprehensive income for the year</b>		<u><u>90</u></u>

The accompanying notes to the financial statements on pages 15-25 are an integral part of the Company's financial Statements.

## Wartsila Energy Storage UK Ltd

### Balance sheet

As at 31 December 2024

	Note	2024 £'000	£'000
<b>Fixed Assets</b>			
Tangible assets	9	51	
			<u>51</u>
<b>Current assets</b>			
Stocks	10	618	
Debtors: amounts falling due within one year	11	83,143	
Cash at bank and in hand	12	2,280	
		<u>86,054</u>	
<b>Creditors: amounts falling due within one year</b>	14	(85,985)	
<b>Creditors: amounts falling after more than one year</b>	15	(13)	
		<u>(85,998)</u>	
<b>Net current assets</b>			56
<b>Total assets less current liabilities</b>			<u>107</u>
<b>Non-current liabilities</b>			
Other provisions	16	(17)	
			<u>(17)</u>
<b>Net assets</b>			<u><u>90</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	-	
Profit and loss account			90
<b>Total shareholders' funds</b>			<u><u>90</u></u>

The accompanying notes to the financial statements on pages 15-25 are an integral part of the Company's financial Statements.

The financial statements of Wartsila Energy Storage UK Limited on pages 11-25 (registered number: 15309674) were approved by the Board of Directors on 17 September 2025 and were signed on its behalf by:



J. L. Proctor  
Director

## Wartsila Energy Storage UK Ltd

### Statement of changes in equity for the year ended 31 December 2024

	Called up Share capital	Profit and loss account	Total equity
<i>Note</i>	£'000	£'000	£'000
Balance at 1 January 2024	-	-	-
<b>Total comprehensive income</b>			
Profit for the financial year	-	90	90
<b>Total comprehensive income for the year</b>	-	90	90
Dividends	-	-	-
<b>Balance at 31 December 2024</b>	-	<b>90</b>	<b>90</b>

The accompanying notes to the financial statements on pages 15-25 are an integral part of the Company's financial Statements.

**Notes to the financial statements  
for the year ended 31 December 2024**

**1 Accounting policies**

**1.1 Basis of preparation of financial statements**

Wartsila Energy Storage UK Limited (the "Company") is a company incorporated and domiciled in the UK.

These financial statements were prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") under the historical cost convention and in accordance with the Companies Act 2006.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions have been taken. Accounting policies have been applied consistently to the prior year aside from new policies being adopted.

The Company's ultimate parent undertaking, Wärtsilä Corporation includes the Company in its consolidated financial statements. The consolidated financial statements of Wärtsilä Corporation are prepared in accordance with Adopted IFRSs and are available to the public and may be obtained from Hiililaiturinkuja 2, FI-00180, Helsinki, Finland, or from the company website [www.wartsila.com](http://www.wartsila.com).

The financial statements are prepared in Sterling which is the functional currency of the company and are rounded to the nearest thousand pounds (£'000) except when otherwise stated.

Judgements made by Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.16.

The following principal accounting policies have been applied:.

**1.2 Financial reporting standard 101 - reduced disclosure exemptions**

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

**1.3 Going concern**

As noted in the Directors report, the financial statements have been prepared on a going concern basis, which assumes that the Company will continue trading for a period of at least 12 months from the date of these financial statements. In stress tests, cash inflows and therefore revenues would need to reduce significantly in the 12 months from the period of signing this annual report before it would be necessary to take additional actions. The Directors have obtained a letter of support from the ultimate parent Company, Wärtsilä Corporation for a period of at least 12 months following the signing of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**1.4 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

**1.5 Derivative financial instruments**

Derivative financial instruments are recognised at fair value using exchange rates at the year end value. Gains and losses arising from changes in fair values are recognised in the profit and loss account in the period in which they have arisen.

**Notes to the financial statements (continued)**  
for the year ended 31 December 2024

**1 Accounting policies (continued)**

**1.6 Non-derivative financial instruments**

Non derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

*Trade and other debtors*

Trade and other debtors are recognised initially at transaction cost unless a financing arrangement is in place. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any provision for doubtful debts. These are de-recognised at the time of either the customer settling the debt or being written off as not recoverable.

*Trade and other creditors*

Trade and other creditors are recognised initially at transaction cost unless a financing arrangement is in place. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. These are de-recognised at the point that the debt is settled with the creditor.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits, they are recognised at fair value at the end of the accounting period, where necessary translated to functional currency at the prevailing exchange rates at that time. The majority of cash is part of an inter group cash pooling arrangement which is administered by the central Treasury department in Wärtsilä Corporation.

*Interest-bearing borrowings*

Interest bearing borrowings are recognised initially at transaction cost. Subsequent to initial recognition, interest bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses, and de-recognised at the time that the debt is settled.

**1.7 Right-of-use assets**

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Other variable lease payments are expensed in the period to which they relate.

Right-of-use assets are initially measured at the amount of the lease liability.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

**1.8 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is based on the first in first out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Stock is stated after provision for obsolete and slow-moving items.

**Notes to the financial statements (continued)  
for the year ended 31 December 2024**

**1 Accounting policies (continued)**

**1.9 Impairment excluding stocks and deferred tax assets**

*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that the asset would suffer an expected credit loss (ECL). A financial asset is impaired if objective evidence indicates that a loss event will occur after the initial recognition of the asset, and that the loss event will have a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

For financial instruments measured at cost less impairment an impairment is calculated as the difference between its 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 reporting date. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

*Non-financial assets*

Tangible assets are reviewed at each reporting date to determine if there is any indication of impairment, in which case an impairment review is performed. In performing an impairment review, the asset's recoverable amount is compared to its carrying value.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash generating unit').

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

**1.10 Employee benefits**

*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

*Short-term benefits*

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

*Termination benefits*

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

**1.11 Provisions**

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation.

**Notes to the financial statements (continued)**  
**for the year ended 31 December 2024**

**1 Accounting policies (continued)**

**1.12 Turnover**

IFRS 15, Revenues from contracts with customers, under this standard, revenue recognition is based on the transfer of control, i.e. notion of control is used to determine when a good or service is transferred to the customer. In accordance with this, the Company has adopted a single comprehensive model for the accounting for revenues from contracts with customers, using a five-step approach for revenue recognition:

- (1) identifying the contract;
- (2) identifying the performance obligations in the contract;
- (3) determining the transaction price;
- (4) allocating the transaction price to the performance obligations in the contract; and
- (5) recognising revenue when the Company satisfies a performance obligation.

Revenue represents amounts receivable for goods or services provided in the normal course of business excluding amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes. Revenue is recognized when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable. The company revenue is mainly generated from the following:

**Revenue recognised over- time**

*Long-term contracts (New build projects)*

Long-term contracts revenue is recorded over time based on costs incurred as a proportion of total costs to be incurred for total services provided.

*Service maintenance agreements*

Service maintenance contracts are performed over a period of more than one year and the customer receives the benefit of the work as it is performed, therefore revenue is recorded over time based on costs incurred as a proportion of total costs to be incurred for total services provided.

**Revenue recognised at a point in time**

*Interest receivable and Interest payable*

Interest payable and similar charges include interest payable, finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit and loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**1.13 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.

**1.14 Taxation**

Tax on the profit or loss 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 directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

**1.15 Dividends Policy**

Dividends are recognised through equity on approval by the Company's shareholders.

**1.16 Accounting estimates and judgments**

**Revenue**

Revenue is recognised as laid out in Note 1.12. On long-term contracts, revenue is calculated using the costs incurred as a percentage of the estimated total cost to complete. The key judgement applied by management is in estimating the total costs to complete for contracts. This is estimated based on management experience of prior similar projects performed and the related costs incurred. There are no reasonable changes in assumptions on an individual contract that would result in the estimate being materially different in 12 months time.

**Notes to the financial statements (continued)**  
for the year ended 31 December 2024

**2 Turnover**

An analysis of turnover by class of business is as follows:	<b>2024</b> £'000
Sale of goods	133,934
Total turnover	<u>133,934</u>
By geographical market:	<b>2024</b> £'000
United Kingdom	133,934
	<u>133,934</u>
By timing method:	<b>2024</b> £'000
Over time	133,934
	<u>133,934</u>

Revenue expected to be recognised in future periods for performance obligations that are not complete (or are partially complete) as at 31st December 2024. The anticipated timing of recognition of this revenue is as follows:

<b>2024</b>	<b>&lt; 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>5-10 years</b>	<b>&gt; 10 years</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Maintenance contracts	4,123	6,090	11,210	26,382	33,719	81,524
Revenue	<u>4,123</u>	<u>6,090</u>	<u>11,210</u>	<u>26,382</u>	<u>33,719</u>	<u>81,524</u>

**3 Staff costs**

Staff costs, including directors' remuneration, were as follows:

	<b>2024</b> £'000
Wages and salaries	1,784
Social security costs	234
Other pension costs	92
	<u>2,078</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>Numbers</b> <b>2024</b>
Sales and Marketing	6
Production and technical	12
Administration	3
	<u>21</u>

**Notes to the financial statements (continued)**  
for the year ended 31 December 2024

<b>4</b>	<b>Operating (loss)/profit</b>		<b>2024</b>
			<b>£'000</b>
	The operating profit is stated after (crediting) / charging		270
	Depreciation of right-of use fixed assets	Note 9	25
	Auditors' remuneration for these financial statements		99
	Exchange differences		1,530

<b>5</b>	<b>Directors' remuneration</b>		<b>2024</b>
			<b>£'000</b>
	Directors' remuneration		81
	Company contributions to defined contribution pension plan		11
			<u>92</u>

During the year retirement benefits were accruing to one director in respect of defined contribution pension schemes.

The highest paid director received aggregate remuneration of £81k.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11k.

One of the company directors is also a director of other group companies, and is remunerated for their services by other group companies.

<b>6</b>	<b>Interest receivable and similar income</b>		<b>2024</b>
			<b>£'000</b>
	Intercompany interest		209
			<u>209</u>

<b>7</b>	<b>Interest payable and similar expenses</b>		<b>2024</b>
			<b>£'000</b>
	Interest payable		1
	Inter company interest		357
	Bank charges		1
	Total other interest payable and similar expenses		<u>359</u>

**Notes to the financial statements (continued)  
for the year ended 31 December 2024**

**8 Tax on profit**

An analysis of the tax charge for the year is presented as follows:

	<b>2024</b>
	£'000
<i>Corporation tax</i>	
Current tax on income for the year	30
Total current tax	<u>30</u>
<i>Deferred tax (note 13 &amp; note 15)</i>	
Origination and reversal of temporary differences:	
-Right of use assets	-
Total deferred tax	<u>-</u>
Tax on profit/(loss)	<u>30</u>

**Factors affecting tax charge for the year**

The standard rate of corporation tax in the UK of 25%

	<b>2024</b>
	£'000
Profit / (loss) before taxation	<u>120</u>
Tax using the UK corporation tax rate of 25%	30
Effects of:	
Non-deductible expenses	-
Capital allowances in excess of depreciation	-
Adjustments in respect of prior periods	-
Total tax charge/(credit) for the period	<u>30</u>

**Factors that may affect future tax charges**

The main rate of UK corporation tax was effectively 25% during the year

The deferred tax asset and liability are measured at the tax rates which are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the balance sheet date.

**Pillar two disclosures**

The company is part of a multinational group headed by Wartsila Corporation, a Finland incorporated company, with consolidated annual revenue exceeding €750 million. As such, the group is within the scope of the OECD's Pillar Two Global Anti-Base Erosion (GloBE) Model Rules, which introduce a global minimum effective tax rate of 15%. The company is claiming exemption from Pillar Two specific disclosures in accordance with FRS 101 67CA to 67CB, as these disclosures will be included in the consolidated financial statements of the ultimate parent, Wartsila Corporation.

Notes to the financial statements (continued)  
for the year ended 31 December 2024

9 Right of use assets

	Property	Total
	£'000	£'000
<b>Cost</b>		
Additions	76	76
Disposals	-	-
At 31 December 2024	<u>76</u>	<u>76</u>
<b>Accumulated depreciation and impairment</b>		
Charge for the year	25	25
Disposals	-	-
At 31 December 2024	<u>25</u>	<u>25</u>
<b>Net book value</b>		
At 31 December 2024	<u>51</u>	<u>51</u>

10 Stocks

	2024
	£'000
Work in progress	618
	<u>618</u>

11 Debtors

	2024
	£'000
<b>Amounts falling due after more than one year</b>	
Deferred tax asset	13
	<u>13</u>
	2024
	£'000
<b>Amounts falling due within one year</b>	
Trade debtors	685
Amounts owed by group undertakings	17,160
Sub-lease receivables	0
Prepayments	1,379
Contract assets	63,740
Other debtors	179
	<u>83,143</u>

The company's expected loss rate for receivables is 0%. At 31st December 2024 the lifetime expected loss provision for trade receivables and contract assets is as follows:

<u>2024</u>	Current	Up to 30 days	Between 31	Between 61	More than	Total
	£'000	overdue	and 60 days	and 90 days	90 days	£'000
		£'000	overdue	overdue	overdue	
			£'000	£'000	£'000	£'000
Gross carrying amount	603	-	-	-	82	685
Trade receivables	63,740	-	-	-	-	63,740
Contract assets	<u>64,343</u>	-	0	-	82	<u>64,425</u>

The company's contract assets have moved during the year by the following:

	Opening	Opening	Cash	Revenue	Closing
	£'000	Transfer	Movement in	Movement in	£'000
		£'000	the Year	the Year	
			£'000	£'000	£'000
Contract assets	0	1,811	(12,457)	74,386	63,740

**Notes to the financial statements (continued)**  
for the year ended 31 December 2024

**12 Cash at bank and in hand**

	<b>2024</b>
	£'000
Cash at bank and in hand	2,280
	<u>2,280</u>

**13 Deferred tax asset**

The following are the major deferred tax assets recognised by the company and movements thereon during the current and prior periods.

	Right of Use Assets	Other temporary differences	Total
	£'000	£'000	£'000
Transfer to profit and loss	13	-	13
<b>At 31 December 2024</b>	<u>13</u>	<u>-</u>	<u>13</u>

**14 Creditors**

		<b>2024</b>
		£'000
<b>Amounts falling due after more than one year</b>		
Deferred tax liability	Note 15	(13)
		<u>(13)</u>

**Amounts falling due within one year**

		<b>2024</b>
		£'000
Trade creditors		(74,365)
Other amounts owed to group undertakings		(3,356)
Taxation and social security		(30)
VAT		(1,700)
Current lease liabilities	Note 17	(51)
Accruals and contract liabilities		(6,483)
		<u>(85,985)</u>

Other amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The company's contract liabilities have moved during the year by the following:

	Opening	Revenue	Cash	Closing
	£'000	Transfer	Movement in	£'000
		the Year	the Year	
		£'000	£'000	£'000
Contract liabilities	-	(11,953)	28,581	(22,474)
				(5,846)

**15 Deferred tax liability**

The following are the major deferred tax liabilities recognised by the company and movements thereon during the current and prior periods.

	Right of Use Liabilities	Other temporary differences	Total
	£'000	£'000	£'000
Transfer to profit and loss	(13)	-	(13)
<b>At 31 December 2024</b>	<u>(13)</u>	<u>-</u>	<u>(13)</u>

Notes to the financial statements (continued)  
for the year ended 31 December 2024

16 Other Provisions

	Dilapidation Provision	Onerous Contracts Provision	Total
	£'000	£'000	£'000
Increase in provisions	11	6	17
Decrease in provisions	-	-	-
Utilisation of provisions	-	-	-
<b>Balance at 31 December 2024</b>	<b>11</b>	<b>6</b>	<b>17</b>

The provision for dilapidations relates to potential costs payable for the exit from leased premises. The onerous contracts are expected to be completed within 12 months.

17 Lease liabilities

The company has lease contracts for various buildings, equipment and vehicles used in the operations. The amounts recognised in the financial statements in relation to the lease liabilities are as follows:

		2024 £'000
Current	Note 14	(51)
Non-current		0
<b>Total lease liabilities</b>		<b>(51)</b>
		<b>2024 £'000</b>
Interest expense		(1)
Expense related to short term leases		-
Expense related to low value leases that are not included in short term leases		(13)
<b>Amounts recognised in the income statement</b>		<b>(14)</b>

At the balance sheet date, the Company had outstanding commitments for future minimum lease payments under finance leases, which fall due as follows:

< 1 year	1 - 5 years	> 5 years	Total
£'000	£'000	£'000	£'000
52	0	0	52

18 Called up share capital

	2024 £	2023 £
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	1	1

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

*Dividends*

No dividends were paid in the year

19 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Wärtsilä Energy Storage Finland Oy. The Company's ultimate parent undertaking, which is also the ultimate controlling party is Wärtsilä Corporation Oy, which is incorporated in Finland.

Wärtsilä Corporation is the only group in which the results of the Company are consolidated. The consolidated financial statements of the group are available to the public and may be obtained from:

Wärtsilä Corporation  
Hiililaiturinkuja 2  
FI-00180 Helsinki  
Finland  
Or at the company website [www.wartsila.com](http://www.wartsila.com).

Notes to the financial statements (continued)  
for the year ended 31 December 2024

20 Acquisition of Trade and Assets

On 1st February the Company acquired the assets, liabilities and business of Energy Storage and Optimisation from its sister company Wartsila UK Ltd, valued at a net asset and liability position of £0.00.

	£'000
<u>Assets</u>	
Advances paid on inventory	585
Accounts receivable	3,107
Accrued income	1,811
Cash	8,648
Cash flow hedging in equity	202
	<u>14,353</u>
<u>Liabilities</u>	
Provision for foreseeable losses	(200)
Accounts payable	(1,476)
Accrued expenses and project costs	(242)
Deferred income	(11,953)
Accrued expenses	(482)
	<u>(14,353)</u>
Net (liabilities)/assets acquired	<u><u>-</u></u>