

# **RESONANCE WATER FINANCE UK LIMITED**

(the "Company")

**Annual Report and Audited Financial Statements**

**For the year ended 31 December 2023**

**Registration number: 10897212**

THURSDAY



\*AD8KXZDF\*

A16

01/08/2024

#91

COMPANIES HOUSE

# **RESONANCE WATER FINANCE UK LIMITED**

## **Table of Contents**

	<b>Page</b>
<b>Administration</b>	<b>2</b>
<b>Directors' Report</b>	<b>3 to 4</b>
<b>Independent Auditor's Report</b>	<b>5 to 8</b>
<b>Statement of Income and Retained Earnings</b>	<b>9</b>
<b>Statement of Financial Position</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11 to 22</b>

## **RESONANCE WATER FINANCE UK LIMITED**

### **Administration**

<b>Directors:</b>	Nicholas Wood Lydia Whayatt (resigned 24 June 2024) Orlando Hilton (appointed 24 June 2024)
<b>Registered Office:</b>	6-16 Huntsworth Mews London England NW1 6DD
<b>Company Administrator and Secretary:</b>	Admina Fund Services Limited First Floor 10 Lefebvre Street St Peter Port Guernsey GY1 2PE
<b>Independent Auditor:</b>	KPMG Channel Islands Limited Gategny Esplanade St Peter Port Guernsey GY1 1WR
<b>Legal Advisor:</b>	Simmons & Simmons LLP CityPoint 1 Ropemaker Street London EC2Y 9SS

# **RESONANCE WATER FINANCE UK LIMITED**

## **Directors' Report**

The directors submit their report and the audited financial statements for the year ended 31 December 2023. The directors of the Company who served during the year and up to the date of this report are set out on page 2.

### **Principal activities**

Resonance Water Finance UK Limited (the "Company") was formed to hold a portfolio of investments which may include purpose built containers or buildings that house the equipment (the "Water Assets"), operated under long term outsourcing agreements with clients in the process industries.

### **Going Concern**

The Company is loss making and the Statement of Financial Position is in a net liability position, however the directors believe that the Company's financial statements should be prepared on a going concern basis on the grounds that the current and future sources of funding or support will be more than adequate for the Company's needs. In the event that additional funds are needed to support the Company, the directors would seek to procure and are confident that they would be able to secure any necessary funding from the parent company. The Company has a letter of support from Resonance Industrial Water Infrastructure Limited, the ultimate controlling party of the Company, which commits to meeting the liabilities of the Company for the 12 months from the date of signing the financial statements. The directors have considered a period of twelve months from the date of approval of the financial statements considering all reasonable fluctuations in the forecast assumptions and currently forecast that the Company has the ability to continue as a going concern and is commercial on a long term basis.

### **Provision of information to auditor**

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

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

### **Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors to prepare the financial statements in accordance with applicable law and section 1A of FRS 102 *'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

## RESONANCE WATER FINANCE UK LIMITED

### Directors' Report (continued)

#### Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements (continued)

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 estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping proper 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Independent Auditor

Our independent auditor, KPMG Channel Islands Limited, is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

#### Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board of Directors on 26/7/24 and signed on behalf of the board by:



**Nicholas Wood**  
Director

# Independent Auditor's Report to the Member of Resonance Water Finance UK Limited

## *Our opinion*

We have audited the financial statements of Resonance Water Finance UK Limited (the "Company"), which comprise the statement of financial position as at 31 December 2023, the statement of income and retained earnings for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

*In our opinion, the accompanying financial statements:*

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of the Company's loss for the year then ended;
- are properly prepared in accordance with United Kingdom accounting standards, including Section 1A of FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## *Going concern*

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

## *Fraud and breaches of laws and regulations – ability to detect*

### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

# Independent Auditor's Report to the Member of Resonance Water Finance UK Limited (continued)

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

## *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of litigation or impacts on the Company's ability to operate. We identified company law as being the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## *The directors' report*

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

# Independent Auditor's Report to the Member of Resonance Water Finance UK Limited (continued)

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006, we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

## *Respective responsibilities*

### *Directors' responsibilities*

As explained more fully in their statement set out on pages 3 and 4, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities*

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).



# Independent Auditor's Report to the Member of Resonance Water Finance UK Limited (continued)

## *The purpose of our audit work and to whom we owe our responsibilities*

This report is made solely to the Company's member, 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 member 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 its member, as a body, for our audit work, for this report, or for the opinions we have formed.



**Rachid Frihmat (Senior Statutory Auditor)**

**For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)**

*Chartered Accountants*

Guernsey

30 July 2024

# **RESONANCE WATER FINANCE UK LIMITED**

## **Statement of Income and Retained Earnings**

For the year ended 31 December 2023

	<b>Notes</b>	<b>2023 Euro</b>	<b>2022 Euro</b>
Turnover		4,036,652	(53,812)
Unrealised foreign exchange (loss) / gain on loans		(676,556)	801,119
Administration expenses	4	(73,769)	(102,260)
<b>Operating profit</b>		<b>3,286,327</b>	<b>645,047</b>
Unrealised loss / profit on revaluation of investments	6	(13,596,100)	1,349,958
Interest payable and similar charges	11	(4,825,291)	(4,952,143)
<b>Loss on ordinary activities before taxation</b>		<b>(15,135,064)</b>	<b>(2,957,138)</b>
Tax on loss on ordinary activities	13	-	(468,392)
<b>Loss for the financial year and total comprehensive expense</b>		<b>(15,135,064)</b>	<b>(3,425,530)</b>
Retained losses at the start of the year		(8,819,981)	(5,394,451)
<b>Retained losses at the end of the year</b>		<b>(23,955,045)</b>	<b>(8,819,981)</b>

The above results are all in respect of continuing operations.

All recognised gains and losses in the current year are included in the Statement of Loss and Retained Earnings.

The accompanying notes on pages 11 to 22 form an integral part of the financial statements.

# RESONANCE WATER FINANCE UK LIMITED

## Statement of Financial Position

As at 31 December 2023

		2023	2022
	Notes	Euro	Euro
<b>Non Current Assets</b>			
Investments	6	61,818,224	68,504,204
<b>Current Assets</b>			
Investments	6	123,937	1,585,089
Debtors	7	1,343,399	4,099,522
Cash at bank and in hand		1,454,010	1,798,156
		<u>2,921,346</u>	<u>7,482,767</u>
<b>Creditors - amounts falling due within one year</b>			
Creditors	8	(2,601,174)	(4,405,104)
		<u>(2,601,174)</u>	<u>(4,405,104)</u>
<b>Net Current Assets</b>		320,172	3,077,663
<b>Creditors - amounts falling due in more than one year</b>			
Loan notes	9	(86,093,440)	(80,401,847)
		<u>(86,093,440)</u>	<u>(80,401,847)</u>
<b>Non-Current Liabilities</b>		(86,093,440)	(80,401,847)
<b>Net Liabilities</b>		<u>(23,955,044)</u>	<u>(8,819,980)</u>
<b>Capital and Reserves:</b>			
Called up share capital	10	1	1
Retained losses		(23,955,045)	(8,819,981)
<b>Shareholders' Deficit</b>		<u>(23,955,044)</u>	<u>(8,819,980)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with FRS 102 Section 1A - Small Entities

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
26th July 2024



**Nicholas Wood**  
Director

The accompanying notes on pages 11 to 22 form an integral part of the financial statements.

# RESONANCE WATER FINANCE UK LIMITED

## Notes to the Financial Statements

For the year ended 31 December 2023

### 1. General Information

The Company is a private company, limited by shares, registered in England and Wales. The registered office is 6-16 Huntsworth Mews, London, England, NW1 6DD. Registration number: 10897212.

### 2. Statement of Compliance

The accounts have been prepared in accordance with the Provisions of Section 1A of FRS 102. The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102 Section 1A") and Companies Act 2006

### 3. Accounting policies

#### 3.1 Basis of preparation of financial statements

These financial statements for the year ended 31 December 2023 have been prepared in accordance with FRS102 Section 1A small entities.

The financial statements have been prepared on the historical cost basis, as modified by the revaluation if certain financial assets and liabilities.

The financial statements are prepared in Euro, which is functional currency of the entity.

#### 3.2 Going Concern

The Company is loss making and the Statement of Financial Position is in a net liability position which is primarily due to intragroup loans, however the directors believe that the Company's financial statements should be prepared on a going concern basis on the grounds that the current and future sources of funding or support will be more than adequate for the Company's needs. In the event that additional funds are needed to support the Company, the directors would seek to procure and are confident that they would be able to secure any necessary funding from the parent company. The Company has a letter of support from Resonance Industrial Water Infrastructure Limited, the ultimate controlling party of the Company, which commits to meeting the liabilities of the Company for the 12 months from the date of signing the financial statements. The directors have considered a period of twelve months from the date of approval of the financial statements considering all reasonable fluctuations in the forecast assumptions and currently forecast that the Company has the ability to continue as a going concern and is commercial on a long term basis.

#### 3.3 Critical accounting judgements, estimates and assumptions

In preparing these financial statements in conformity with FRS102 Section 1A, the Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ for these

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

# RESONANCE WATER FINANCE UK LIMITED

## Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 3. Accounting policies (continued)

#### 3.3 Critical accounting judgements, estimates and assumptions (continued)

##### a. Judgements

##### *Determination of functional currency*

Functional currency is the currency of the primary economic environment in which the Company operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The majority of the Company's transactions are denominated in Euro. Shareholder' contributions and distributions are also received and paid in Euro. Accordingly, the Directors have determined that the functional currency of the Company is Euro.

##### b. Estimates and assumptions

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2023 is included in Note 6 and relates to the determination of fair value of investments and financial instruments using valuation techniques.

#### 3.4 Consolidation

The Company holds interest in subsidiary investments as part of an investments portfolio in accordance with Section 9 of FRS 102. Accordingly, the Company has not presented consolidated financial statements.

#### 3.5 Turnover

Turnover comprises interest on loan financing provided to investee companies not classified at fair value through profit or loss is recognised on an effective interest rate (EIR) basis.

#### 3.6 Interest receivable and similar income

Bank interest and similar income, are accounted for on and accrual basis.

#### 3.7 Interest payable

Interest payable is accounted for on and accrual basis.

#### 3.8 Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity respectively.

## RESONANCE WATER FINANCE UK LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 3. Accounting policies (continued)

#### 3.8 Taxation (continued)

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### 3.9 Expenses recognition

Expenses are accounted for on an accruals basis and are recognised in the period in which they are incurred.

#### 3.10 Foreign currency translation

Foreign currency monetary assets and liabilities are translated into Euro at the rate of exchange ruling at the Statement of Financial Position date. Transactions in foreign currency are translated at the rate of exchange ruling at the date of the transaction. Foreign exchange gains and losses are included in the Statement of Income and Retained Earnings. Historic cost is achieved using exchange rate at the date of transaction.

#### 3.11 Financial instruments

The Company has chosen to adopt Section 11 and Section 12 of FRS 102 in respect of financial instruments.

##### Trade and other debtors

Trade and other debtors are initially recognised at fair value and subsequently carried at amortised cost less provisions for impairment.

##### Financial liabilities

Financial liabilities comprise creditors and loans which are basic financial liabilities and are recognised initially at fair value net of directly attributable transaction costs. Creditors and loan notes are subsequently stated at amortised cost using the EIR basis.

##### Investments held at fair value through profit or loss

In accordance with Section 9.9C9a) of FRS 102, the Company adopts a policy of measuring debt and equity investments in subsidiaries at fair value, with changes in fair value recognised in profit or loss.

The unit of account for fair value is determined at the subsidiary investment level. An appointment is then made between debt and equity investments in subsidiaries, which are designed upon initial recognition as held at fair value through profit or loss. Investments are recognised / derecognised at the trade date of purchase / disposal. The investments have been valued using discounted cash flow valuations as at 31 December 2023. Refer to note 6 for further information on valuation technique adopted.

##### Cash at bank and in hand

Cash at bank and in hand comprise each cash balance and short term cash deposits.

## RESONANCE WATER FINANCE UK LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

4. Expenses	2023 Euro	2022 Euro
Administration, secretarial and accounting fees	30,005	32,154
Listing fees	29,158	10,835
Auditors remuneration	12,825	11,553
Tax compliance fees	739	5,188
Bank charges	664	6,963
Sundry fees	377	368
Bank interest paid	1	1
Legal and professional	-	17,414
Withholding tax	-	17,784
	<b>73,769</b>	<b>102,260</b>

### 5. Staff costs

The average number of persons employed by the Company during the year, excluding the directors, amounted to nil (2022: nil). No compensation for services rendered by the Directors was payable during the year (2022: nil).

### 6. Investments

	2023 Euro	2022 Euro
Opening balance	70,089,293	52,234,308
Acquired - Purchases	7,597,455	18,895,105
Repayment of capital	(2,148,488)	(2,390,078)
Unrealised (loss) / gain on revaluation of investments	(13,745,806)	1,712,092
Unrealised foreign exchange gain / (loss) on revaluation of investments	149,706	(362,134)
	<b>61,942,160</b>	<b>70,089,293</b>

Further details are provided on the subsidiary investments:

Acciona Agua Sardinia Infrastructure S.R.L	2023		2022	
	Euro Cost	Euro Fair value	<i>Euro Cost</i>	<i>Euro Fair value</i>
Equity	9,000	1,210,085	<i>9,000</i>	<i>1,208,800</i>
Loan	123,937	123,937	<i>2,114,180</i>	<i>2,114,180</i>
	<b>132,937</b>	<b>1,334,022</b>	<b><i>2,123,180</i></b>	<b><i>3,322,980</i></b>

Included within investments are loan balances. On 21 December 2017, the Company extended loan financing to Acciona Agua Sardinia Infrastructure S.R.L., in conjunction with a second lender, for the purposes of acquiring a desalination plant and ancillary infrastructure ("Project Sarroch"). The Company's quota of the loan was 90%.

The loan was made up of three amounts, each bearing interest at 4.5% per annum, but each having separate repayment terms. The movement in the consideration loan comprises a repayment of capital and expenses of EUR 1,990,243 (2022: EUR 2,220,792).

	2023 Euro	2022 Euro
Consideration loan	78,937	484,091
General expenses loan	45,000	45,000
VAT loan	-	1,585,089
	<b>123,937</b>	<b>2,114,180</b>

## RESONANCE WATER FINANCE UK LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 6. Investments (continued)

The Consideration loan term was extend to 21 February 2024 and further extended to the end of May 2024. As at 31 December 2023, an amount of Euro 78,937 (2022: Euro 484,091) was receivable.

The VAT Loan was fully repaid during the year (2022: Euro 1,585,089).

The General Expenses Loan receivable at year end was subsequently fully repaid on 20 February 2024 as the contract with the desalination plant was due to expire at the end of May 2024.

#### RE Holding Trust One

	2023				2022			
	AUD Cost	AUD Fair Value	Euro Cost	Euro Fair Value	AUD Cost	AUD Fair Value	Euro Cost	Euro Fair Value
Equity	3,288,510	-	2,045,111	-	3,288,510	-	2,045,111	-
Loans	3,447,660	1,767,453	2,178,192	1,078,146	3,097,660	1,744,194	1,962,236	1,111,447
	<b>6,736,170</b>	<b>1,767,453</b>	<b>4,223,303</b>	<b>1,078,146</b>	<b>6,386,170</b>	<b>1,744,194</b>	<b>4,007,347</b>	<b>1,111,447</b>

On 12 July 2018, the Company extended loan financing to RE Holding Company One Pty Limited as trustee of RE Holding Trust One. AUD 1,680,000 was loaned on 17 July 2018 (Euro 1,063,643) with further advances of AUD 420,000 (Euro 267,166) on 12 December 2018, AUD 387,660 (Euro 243,523) on 24 April 2019, AUD 360,000 (Euro 217,858) on 13 August 2020, AUD 250,000 (Euro 172,200) on 13 September 2022 and AUD 350,000 (Euro 215,956) on 24 July 2023. Each of the loans incur interest at 8% per annum.

No further loan financing is due for this investment.

#### Green Create W2V Kent Ltd

	2023				2022			
	GBP Cost	GBP Fair Value	Euro Cost	Euro Fair Value	GBP Cost	GBP Fair Value	Euro Cost	Euro Fair Value
Loan	11,053,405	300,000	12,544,715	345,205	10,451,060	11,245,200	11,853,584	12,678,791
	<b>11,053,405</b>	<b>300,000</b>	<b>12,544,715</b>	<b>345,205</b>	<b>10,451,060</b>	<b>11,245,200</b>	<b>11,853,584</b>	<b>12,678,791</b>

On 3 April 2019, the Company extended loan financing to Green Create W2V Kent Ltd. GBP 4,800,000 was loaned on 3 April 2019 (Euro 5,602,754), with a further advance of GBP 5,800,000 (Euro 6,420,116) on 25 June 2020. The loan incurs interest at 9.5% per annum.

Green Create W2V Kent Ltd has entered into liquidation as the operator has encountered significant issues with site. Refer to note 14 for further details.

#### BioEnergy Pte Ltd

	2023				2022			
	SGD Cost	SGD Fair Value	Euro Cost	Euro Fair Value	SGD Cost	SGD Fair Value	Euro Cost	Euro Fair Value
Equity	3,656,200	-	2,383,576	-	3,656,200	-	2,383,576	-
Loan	10,731,132	10,794,107	7,140,859	7,447,934	10,731,132	10,881,510	7,140,859	7,609,448
	<b>14,387,332</b>	<b>10,794,107</b>	<b>9,524,435</b>	<b>7,447,934</b>	<b>14,387,332</b>	<b>10,881,510</b>	<b>9,524,435</b>	<b>7,609,448</b>

On 28 May 2019, the Company extended loan financing to BioEnergy Pte Ltd. SGD 6,253,793 was loaned on 28 May 2019 (Euro 4,129,552), with a further advance of SGD 257,335 (Euro 169,647) made on 14 August 2019, SGD 2,020,005 (Euro 1,262,279) made on the 8 March 2021 and SGD 2,200,000 (Euro 1,579,182) made on 6 September 2022. Each loan incurs interest at 4.6% per annum.



## RESONANCE WATER FINANCE UK LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 6. Investments (continued)

#### Great British Farms Limited

	2023				2022			
	GBP Cost	GBP Fair Value	Euro Cost	Euro Fair Value	GBP Cost	GBP Fair Value	Euro Cost	Euro Fair Value
Loan	2,000,000	35,194	2,189,790	40,473	2,000,000	35,194	2,189,790	39,680
	<b>2,000,000</b>	<b>35,194</b>	<b>2,189,790</b>	<b>40,473</b>	<b>2,000,000</b>	<b>35,194</b>	<b>2,189,790</b>	<b>39,680</b>

On 29 September 2020, the Company extended loan financing to Great British Farms Limited ("GBF"). GBP 2 million was loaned on 29 September 2020 (Euro 2,189,790). The loan incurs interest at 10% + index figure per annum.

In December 2020, the GBF shareholders were made aware that the CEO and other directors misrepresented the result of their own production activities and the Company was not made aware of this prior to signing the loan agreement. The CEO and other directors were removed in December 2020. On 25 February 2021, GBF was put into administration and based on the investment advisors estimate the remaining investment value is GBP 219,604 (Euro 261,346). As of 31 December 2023 the GBF is being liquidated and the valuation reflects the expectation of what we expect to recover in liquidation.

#### Green Create W2V Europe B.V.

	2023		2022	
	Euro Cost	Euro Fair Value	Euro Cost	Euro Fair Value
Loan	30,212,546	30,635,528	24,750,000	28,660,500
	<b>30,212,546</b>	<b>30,635,528</b>	<b>24,750,000</b>	<b>28,660,500</b>

On 5 January 2021, the Company extended loan financing to Green Create W2V Europe B.V. EUR 9,420,000 was loaned on 15 January 2021, with a further advance of Euro 3,100,000; Euro 5,700,000; Euro 5,900,000 and Euro 630,000 on 16 April 2021; 4 May 2021; 2 August 2021 and 16 September 2021 respectively. The loan incurs interest at 8% per annum.

Throughout the year the operator for the investment in Green Create W2V Europe B.V. experienced several technical issues during the ramping up of the facility. However, these have largely been resolved and the plant's maximum capacity was achieved in October 2023. Shortly after this milestone, the Dutch government issued a warning to all AD plants in the Netherlands in relation to potential liquid digestate contamination. This letter resulted in the plant reducing its throughput which had a significant impact on profitability leading them to default on the loan payment to the Fund due in October 2023.

The Dutch government has since removed the letter, and therefore the operator expects to achieve full utilisation of the plant's capacity in 2024. The loan has been capitalised for now and is expected to start to be repaid in October 2024. However, the operator of the investment in Green Create W2V Europe B.V. is far along in the process of selling a majority stake to a new investor. This will allow for an exit on this investment, as the loan is to be fully repaid on the financial close of the transaction, with the expected close being mid-2024.

#### Scarborough Environmental Infrastructure Limited

	2023				2022			
	GBP Cost	GBP Fair Value	Euro Cost	Euro Fair Value	GBP Cost	GBP Fair Value	Euro Cost	Euro Fair Value
Loan	18,445,589	18,313,862	21,409,129	21,060,852	14,781,971	14,781,971	17,143,723	16,666,447
	<b>18,445,589</b>	<b>18,313,862</b>	<b>21,409,129</b>	<b>21,060,852</b>	<b>14,781,971</b>	<b>14,781,971</b>	<b>17,143,723</b>	<b>16,666,447</b>

On 28 June 2022, the Company extended loan financing to Scarborough Environmental Infrastructure Limited. GBP 285,008 was loaned on 29 April 2022 (Euro 358,275), with further advances of GBP 498,829 (Euro 631,110) made on 31 May 2022, GBP 10,471,016 (Euro 12,874,865) made on the 28 June 2022 GBP 3,148,652 (Euro 3,676,688) made on 10 November 2022 and GBP 2,705,249 (Euro 3,162,628) on 7 September 2023. Each loan incurs interest at 6% per annum.

Company	Share Type	Place of business	Date of investment	2023		2022	
				Percentage ownership		Percentage ownership	
Acciona Agua Sardinia Infrastructure S.R.L	Ordinary	Italy	7 November 2017	90%	90%	90%	90%
RE Holding Trust	Ordinary	Australia	12 July 2018	100%	100%	100%	100%
BioEnergy Pte Ltd	Ordinary	S.E Asia	28 May 2019	95%	95%	95%	95%

## RESONANCE WATER FINANCE UK LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 6. Investments (continued)

Company	Share Type	Place of business	Date of investment	2023		2022	
				Percentage ownership		Percentage ownership	
Green Create W2V Kent Ltd	N/A	United Kingdom	03 April 2019	0%	0%	0%	0%
Great British Farms Limited	N/A	United Kingdom	29 September 2020	0%	0%	0%	0%
Green Create W2V Europe B.V.	N/A	Netherlands	5 January 2021	0%	0%	0%	0%
Scarborough Environmental Infrastructure Limited	N/A	United Kingdom	29 April 2022	0%	0%	0%	0%

The fair value of the Company's investments have been determined based on discounted cashflows of the underlying entities as at the year-end. In terms of the investments held by the underlying entities, the fair value of the underlying wastewater treatment plants have also been determined using discounted cash flows. Where the Company holds loan investments, they are determined based on the fair value of the loans at the year-end, which is calculated by adding interest capitalisations to the principal balance, translated using the year-end exchange rates where applicable.

In terms of the discounted cash flow valuation used for the operational plants (held by Acciona Agua Sardinia Infrastructure S.R.L, RE Holding Trust One, BioEnergy Pte Ltd, Green Create W2V Kent Ltd and Scarborough Environmental Infrastructure Limited), the valuation is based on discounting the future net income receivable from the entity to arrive at the net present value of the future income streams. The key inputs used in the fair value models are as follows:

Discount rate:	A range of 8-11% has been used.
Designing volume: (m3 / Hour)	The volume is fixed for each revenue stream under the Build, Operate and Transfer ("BOT") contracts.
Price: (Euro, AUD and GBP / m3)	The fixed price in Euro, AUD and GBP for each revenue stream under the 'BOT' contracts.

### 7. Debtors

	2023 Euro	2022 Euro
Due by Resonance Industrial Water Infrastructure Limited <sup>1</sup>	918,689	1,062,476
Due by Resonance Industrial Water Infrastructure Limited <sup>2</sup>	408,179	427,479
Loan interest due from Acciona Agua Sardinia Infrastructure S.R.L.	15,331	-
Loan interest due from Green Create W2V Kent Limited	1,200	18,401
Amount due from Resonance Industrial Water Infrastructure Limited <sup>3</sup>	-	2,173,138
Loan interest due from RE Holding Trust One	-	418,028
	<b>1,343,399</b>	<b>4,099,522</b>

1. On 25 August 2021, the Company advanced Euro 2,111,114 to Resonance Industrial Water Infrastructure Limited, an overpayment on the interest receivable. During the year the amount utilised against the interest receivable was Euro 143,788 (2022: Euro 204,473). The cumulative amount utilised as at the end of the reporting amount was Euro 1,192,425 (2022: Euro 1,062,476).

The above transaction was recorded as interest advances, resulting in a negative interest receivable balance.

2. Operational loan advance made to Resonance Industrial Water Infrastructure Limited, which is unsecured, interest free and repayable at call.

3. On 28 June 2022, the Company made a payment of £1,900,973 (Euro 2,173,138) in order to acquire an equity holding of 1,900,973 Ordinary A shares of £1 each in Scarborough Environmental Infrastructure Limited on behalf of Resonance Industrial Water Infrastructure Limited. The amount was interest free and repaid during the year through the cancellation of loan notes (see note 11).

## RESONANCE WATER FINANCE UK LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 8. Creditors

<i>Amounts falling due within one year</i>	<b>2023</b> <b>Euro</b>	<b>2022</b> <b>Euro</b>
Loan payable to Resonance Industrial Water Infrastructure Limited	1,297,499	-
Loan interest to Resonance Industrial Water Infrastructure Limited	791,465	3,878,397
Current tax (note 13)	468,392	468,392
Intercompany payables	31,398	33,910
Audit fees	12,420	10,524
Loan interest due to Acciona Aqua Sardinia Infrastructure S.R.L.	-	6,080
Tax compliance fees	-	5,188
Listing fees	-	2,613
	<b>2,601,174</b>	<b>4,405,104</b>

### 9. Loans

Details of loans falling due in more than one year are as follows:

	<b>2023</b> <b>Euro</b>	<b>2022</b> <b>Euro</b>
Loan payable to Resonance Industrial Water Infrastructure Limited	86,093,440	80,401,847

On 25 September 2018, the Company entered into an amended and restated agreement authorising the issue of up to Euro 15,000,000 4% unsecured loan notes with Resonance Industrial Water Infrastructure Limited with a maturity date of 20 December 2026. This replaced the previous agreement entered into on 20 December 2017 for the issue of Euro 9,000,000 4% unsecured loan notes.

As at 31 December 2023, a total of Euro 2,063,094 had been issued (2022: Euro 5,091,708). During the year ended 31 December 2023, a total of Euro 143,788 interest had been charged (2022: Euro 278,365).

On 5 January 2021, the Company entered into an amended and restated agreement authorising the issue of up to Euro 100,000,000 7.75% unsecured loan notes with Resonance Industrial Water Infrastructure Limited with a maturity date of 5 January 2035.

As at 31 December 2023, a total of Euro 29,832,064 had been issued (2022: Euro 24,750,000). During the year ended 31 December 2023, a total of Euro 1,951,576 interest had been charged (2022: Euro 1,918,126).

On 2 November 2018, the Company entered into an agreement authorising the issue of up to USD 320,000,000 (or its equivalent in any other currency) Senior Unsecured Notes with Resonance Industrial Water Infrastructure Limited. The rate of interest and maturity date for each note issuance is to be agreed between the parties at the time of issue.

As at 31 December 2023, a total of AUD 8,243,006 (Euro 5,028,233) had been issued (2022: AUD 7,652,708 (Euro 4,876,511)). Interest is payable on the notes at 7.5% per annum. During the year ended 31 December 2023 a total of Euro 496,366 of interest had been charged (2022: Euro 303,408).

## RESONANCE WATER FINANCE UK LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 9. Loans (continued)

A breakdown of the loan notes issued and maturity dates are detailed below:

<b>AUD Notes Issued</b>	<b>Maturity Date</b>
2,940,070	11 July 2028
700,000	12 December 2028
60,649	04 February 2028
646,100	23 April 2028
31,682	01 May 2028
37,217	31 July 2028
83,476	31 October 2028
169,183	03 November 2028
504,796	03 November 2028
608,504	03 November 2028
92,665	03 November 2028
758,449	03 November 2028
471,892	03 November 2028
134,307	03 November 2028
133,872	03 November 2028
137,862	03 November 2028
141,984	03 November 2028
144,668	03 November 2028
144,198	03 November 2028
148,496	03 November 2028
152,936	03 November 2028
<b>8,243,006</b>	

As at 31 December 2023, a total of SGD 16,667,504 (Euro 11,500,577) had been issued (2022: SGD 16,001,295 (Euro 11,189,717)). Interest is payable on the notes at 4.1 % per annum. During the year ended 31 December 2023 a total of Euro 581,552 of interest had been charged (2022: Euro 472,872).

<b>SGD Notes Issued</b>	<b>Maturity Date</b>
8,933,990	24 May 2028
68,241	31 July 2028
367,621	13 August 2028
82,096	31 October 2028
96,617	08 March 2029
97,605	08 March 2029
99,686	08 March 2029
99,621	08 March 2029
2,885,722	31 January 2029
15,734	31 January 2029
488,720	31 January 2029
136,780	8 March 2028
135,190	8 March 2028
138,074	8 March 2028
2,200,000	8 March 2028
155,598	8 March 2028
165,361	8 March 2028
163,439	8 March 2028
166,925	8 March 2028
170,484	8 March 2028
<b>16,667,504</b>	

# **RESONANCE WATER FINANCE UK LIMITED**

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

## **9. Loans (continued)**

As at 31 December 2023, a total of GBP 14,483,594 (Euro 16,656,133) had been issued (2022: GBP 14,037,593 (Euro 15,827,171) ). Interest is payable on the notes at 9% per annum. During the year ended 31 December 2023 a total of Euro 1,359,099 of interest had been charged (2022: Euro 1,515,885).

### **GBP Notes Issued    Maturity Date**

4,800,000	03 April 2028
140,844	31 July 2028
112,083	31 October 2028
114,625	31 January 2028
114,677	31 January 2028
5,874,241	31 January 2028
96,282	31 January 2028
2,166,479	31 January 2028
102,574	31 January 2028
1,333	31 January 2029
930,889	31 January 2029
123,566	31 January 2028
(540,000)	31 January 2028
(80,700)	31 January 2028
(112,070)	31 January 2028
310,655	31 January 2028
328,116	31 January 2028

---

**14,483,594**

---

As at 31 December 2023, a total of GBP 18,272,468 (Euro 21,013,339) had been issued (2022: GBP 16,556,084 (Euro 18,666,731) ). Interest is payable on the notes at 5.5% per annum. During the year ended 31 December 2023 a total of Euro 992,224 (2022: Euro 463,488) of interest had been charged.

### **GBP Notes Issued    Maturity Date**

285,008	30 April 2028
498,829	30 April 2028
12,371,989	30 April 2028
68,279	30 April 2028
183,326	30 April 2028
3,148,653	30 April 2028
225,204	30 April 2028
227,582	30 April 2028
(1,900,973)	30 April 2028
224,351	30 April 2028
2,705,249	30 April 2028
234,971	30 April 2028

---

**18,272,468**

---

## **10. Share Capital**

### **Allotted, called up and fully paid**

1 Ordinary share of £1.00 each

The ordinary shares carry full voting rights at general meetings of the Company.

Called up as at 1 January

Called up during the year

Total called up as at 31 December

**2023**  
**Euro**

**2022**  
**Euro**

1

1

1

1

-

-

1

1

## RESONANCE WATER FINANCE UK LIMITED

### Notes to the Financial Statements (continued)

For the year ended 31 December 2023

#### 11. Related Parties

Nicholas Wood, a Director of the Company, is also a director of the parent company Resonance Industrial Water Infrastructure Limited ('RIWIL'). No director's fee is charged for his services as a director of the Company.

On 21 December 2017, the Company extended loan financing to Acciona Agua Sardinia Infrastructure S.R.L., an entity 90% owned by the Company. As at 31 December 2023, the amount receivable was Euro 123,937 (2022: Euro 2,114,180). During the year ended 31 December 2023, Euro 27,114 (2022: Euro 168,744) of interest was charged, of which Euro 15,331 is receivable at 31 December 2023 (2022: Euro 6,080 of interest overpaid.)

On 25 September 2018, the Company entered into an amended and restated agreement authorising the issue of up to Euro 15,000,000 4% unsecured loan notes with Resonance Industrial Water Infrastructure Limited. This replaced the previous agreement entered into on 20 December 2017 for the issue of Euro 9,000,000 4% unsecured loan notes. As at 31 December 2023, the amount payable was Euro 2,063,094 (2022: Euro 5,091,708). During the year ended 31 December 2023, Euro 143,788 (2022: Euro 278,365) of interest was charged, of which Euro 918,689 was overpaid to RIWIL (2022: Euro 1,062,476).

On 2 November 2018, the Company entered into an agreement authorising the issue of up to USD 320,000,000 (or its equivalent in any other currency) Senior Unsecured Notes with Resonance Industrial Water Infrastructure Limited. The rate of interest is to be agreed between the parties at the time of issue.

As at 31 December 2023, a total of AUD 8,243,006 7.5% unsecured loan notes had been issued (2022: AUD 7,652,708). During the year ended 31 December 2023, a total of Euro 496,366 of interest was charged (2022: Euro 303,408), of which Euro 64,059 remained outstanding to RIWIL at the year end (2022: Euro 62,126).

As at 31 December 2023, a total of SGD 16,667,504 4.1% unsecured loan notes had been issued (2022: SGD 16,001,295). During the year ended 31 December 2023, a total of Euro 581,552 of interest was charged (2022: Euro 472,872), of which Euro 80,095 remained outstanding to RIWIL at the year end (2022: Euro 77,931).

As at 31 December 2023, a total of GBP 14,483,594 9% unsecured loan notes had been issued (2022: GBP 14,037,593). During the year ended 31 December 2023, a total of Euro 1,359,099 of interest was charged (2022: Euro 1,515,885), of which Euro 254,634 remained outstanding to RIWIL at the year end (2022: Euro 241,962).

As at 31 December 2023, a total of GBP 18,272,468 5.5% unsecured loan notes had been issued (2022: GBP 16,556,084). During the year ended 31 December 2023, a total of Euro 992,224 (2022: Euro 463,488) of interest was charged, of which Euro 196,317 remained outstanding to RIWIL at year end (2022: Euro 168,530).

On 13 January 2021, the Company entered into an agreement authorising the issue of up to EUR 100,000,000 7.5% Senior Unsecured Notes with Resonance Industrial Water Infrastructure Limited. As at 31 December 2023, the amount payable was Euro 8,243,006 (2022: Euro 24,750,000). During the year ended 31 December 2023, Euro 496,366 (2022: Euro 1,918,126) of interest was charged, of which Euro 64,059 remained outstanding to RIWIL (2022: Euro 3,326,849).

On 12 July 2018, the Company extended loan financing to RE Holding Company One Ply Limited as trustee of RE Holding Trust One. AUD 1,680,000 was loaned on 17 July 2018 (Euro 1,063,643) with further advances of AUD 420,000 (Euro 267,166) on 12 December 2018, AUD 387,660 (Euro 243,523) on 24 April 2019, AUD 360,000 (Euro 217,858) on 13 August 2020 and AUD 250,000 (Euro 172,200) on 13 September 2022, AUD 350,000 (EUR 212,520). As at 31 December 2023, the total amount due was AUD 3,447,660 (2022: AUD 3,097,660). During the year ended 31 December 2023, Euro 247,729 of interest was charged (2022: Euro 147,736), of which Euro 558,913 remained due at the year end (2022: Euro 418,028).

## RESONANCE WATER FINANCE UK LIMITED

Notes to the Financial Statements (continued)

For the year ended 31 December 2023

### 11. Related Parties (continued)

As at 31 December 2023, the amount due to RIWIL, as reimbursement of costs covered on behalf of the Company, was Euro 31,398 (2022: Euro 33,910).

On 28 June 2022, the Company made a payment of £1,900,973 (Euro 2,173,138) to acquire an equity holding of 1,900,973 Ordinary A shares of £1 each in Scarborough Environmental Infrastructure Limited. This payment was made on behalf of RIWIL and was repaid through the cancellation of an equivalent amount of GBP 5.5% loan notes on 29 June 2023.

### 12. Ultimate Parent Undertaking and Controlling Party

The directors consider the immediate parent and ultimate controlling party of the Company to be Resonance Industrial Water Infrastructure Limited.

### 13. Tax

	2023 Euro	2022 Euro
At beginning of year	468,392	-
Movement during the year	-	468,392
	<u>468,392</u>	<u>468,392</u>
Accelerated capital allowances	-	-
Tax losses carried forward	-	-
Total deferred tax asset	<u>-</u>	<u>-</u>

### 14. Subsequent Events

The Fund has approved an additional loan support of SGD 1.9 million with an interest rate of 4.6% to the Company. On 22 February 2024, the Company made an investment of SGD 1,000,000 was made to BioEnergy Pte Ltd.

On 23 April 2024, the Company received an amount of GBP299,995 (EUR 345,205) towards to the sale of Green Create W2V Kent Limited and will receive further proceeds from the liquidation of the investment from the administrators in 2024 (this figure is not yet determined).

The loan notes issued to RIWIL for a total of total of GBP 14,483,594 (EUR 16,656,133) as at 31 December 2023, were cancelled on 30 April 2024.

There are no further events require disclosure in the financial statements.