

**GOVERNMENT  
RECOVERY**



CO-111430-2800626  
ES Limited  
Document 461 (7)  
ANNUAL FILING OF ACCOUNTS  
YEAR ENDING 31/12/2023

**ES Limited**

**Annual report  
for the year ended 31 December 2023**

**Registered number: 111430**

# **ES Limited**

## **Annual report for the year ended 31 December 2023**

	Pages
Director's report	1 - 3
Independent auditor's report	4 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11 - 22

**Director's report for the year ended 31 December 2023**

The director presents the annual report and the audited financial statements for the year ended 31 December 2023.

**Principal activities**

ES Limited (the "company") is registered in Gibraltar as a private company limited by shares and is ultimately owned by HM Government of Gibraltar. Its principal activity is to operate the Gibraltar North Mole Power Station.

**Review of the business and future developments**

On 23 December 2020, the company received the Taking Over Certificate from Bouygues Energies & Services S.A.S indicating that their work (except in respect of outstanding works and defects identified in the same certificate) had been completed and the asset had effectively been taken over by the company. The company instructed Bouygues Energies & Services S.A.S to complete the outstanding works and defects within a period of six months from the date of the certificate.

An agreement was reached between the company and Bouygues on 8 November 2022 to settle their disputes on the completion of the outstanding works and defects by payment of the sum of £1,750,000. This was received on 17 November 2022.

A further settlement for the sum of £196,000 was received on 2 January 2024. In the prior year, the total settlement of £1,946,000 was accounted for as a reduction to the cost of the asset.

On 31 December 2020, the company and WinPower SA entered into an operation and maintenance contract for the performance of operation and maintenance services of the North Mole Power Plant Facility which commenced on 12 January 2021. The contract was extended up to 31 March 2025 and was subsequently extended again to 31 December 2025.

Furthermore, Gibraltar Investment (Holdings) Limited has agreed not to charge interest on the loan from 1 January 2023 to 31 December 2023. The terms of the loan and interest are currently being reviewed for the following financial year.

**Results and dividends**

The company's result on page 8 shows that the company made a profit of £2,146,180 during the year (2022: £166,031), which was transferred to reserves. The director did not declare or pay any dividends during the current or preceding year.

**Going concern**

The director is required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business. The company has no plans or intentions to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

The financial statements disclose all matters of which the director is aware that are relevant to the company's ability to continue as a going concern, including all significant conditions and events, mitigating factors and the company's plans. In forming the director's view, the director has given consideration to the ongoing development of the power station and the future cash flows of the company.

As at the balance sheet date, the company's current liabilities exceeded its current assets by £4,241,502 (2022: £2,711,862) and the company was in a net asset position of £2,249,515 (2022: £103,335).

**Director's report for the year ended 31 December 2023 - continued****Going concern - continued**

The director has given consideration to the above factors, and to the agreed income the company receives from the Gibraltar Electricity Authority (GEA), and as a result, the director believes it is appropriate to prepare the financial statements on a going concern basis.

**Director**

The director which held office during the year and up to the date of signing these financial statements is shown below:

Gibraltar Investment (Directors) Limited

**Statement of director's responsibilities**

Gibraltar company law requires the director to prepare financial statements for each financial year. Under that law, the director has prepared the financial statements in accordance with the applicable law and Financial Reporting Standard 102, 'The Financial Reporting Standard issued by the United Kingdom Financial Reporting Council', as applied pursuant to the requirements of the Gibraltar Companies Act 2014 ("FRS 102"). Under Gibraltar company law, the director must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of its profit or loss for that year.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable standards have been followed, subject to any material departures disclosed and explained in 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 director is 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 it to ensure that the financial statements comply with the Companies Act 2014. It is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

At the date the director's report is approved, the director confirms:

- as far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that it ought to have as director in order to make itself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Independent auditors**

The auditors, PricewaterhouseCoopers Limited, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

**Director's report for the year ended 31 December 2023 - continued**

**Secretary and registered office**

The current company secretary is GOC (Secretaries) Limited and the registered office address is 206-210 Main Street, Gibraltar.

By order of the board,



**GOC (Secretaries) Limited**  
Company Secretary

Gibraltar

Date... **30 JUN 2025** .....



**Independent auditor's report  
To the members of ES Limited**

**Report on the audit of the financial statements**

***Our opinion***

In our opinion, the accompanying financial statements of ES Limited (the "company"):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 102 ('FRS 102'), 'The Financial Reporting Standard issued by the United Kingdom Financial Reporting Council', as applied pursuant to the requirements of the Gibraltar Companies Act 2014; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

***What we have audited***

We have audited the financial statements of the company, which comprise:

- the balance sheet as at 31 December 2023;
- the profit and loss account for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Independence***

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

***Other information***

The directors are responsible for the other information. The other information comprises the Directors' Report for the year ended 31 December 2023 (but does not include the financial statements and our auditor's report thereon).



**Independent auditor's report**  
**To the members of ES Limited - continued**

**Report on the audit of the financial statements - continued**

***Other information - continued***

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, 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.

With respect to the Directors' Report, we also considered whether the disclosures required by the Companies Act 2014 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, the Companies Act 2014 requires us also to report on certain opinions and matters as described below:

***Directors' Report***

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

- the information given in the Directors' Report for the year ended 31 December 2023 is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with the requirements of the Companies Act 2014.

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

***Responsibilities of the directors for the financial statements***

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with applicable law in Gibraltar and Financial Reporting Standard 102 ('FRS 102'), 'The Financial Reporting Standard issued by the United Kingdom Financial Reporting Council', as applied pursuant to the requirements of the Gibraltar Companies Act 2014, 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.

The directors are responsible for overseeing the company's financial reporting process.



**Independent auditor's report  
To the members of ES Limited - continued**

**Report on the audit of the financial statements - continued**

***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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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. 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;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Independent auditor's report**  
**To the members of ES Limited - continued**

**Report on the audit of the financial statements - continued**

***Use of this report***

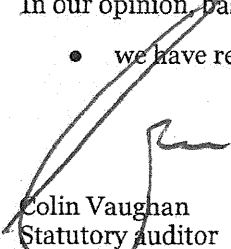
This report, including the opinion on the financial statements and the opinions on other matters prescribed by the Companies Act 2014, has been prepared for and only for the company's members, as a body in accordance with Section 257 of the Companies Act 2014, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Report on other legal and regulatory requirements**

***Opinion on other matters prescribed by the Companies Act 2014***

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

- we have received all the information and explanations we require for our audit.

  
Colin Vaughan  
Statutory auditor  
For and on behalf of  
PricewaterhouseCoopers Limited  
Gibraltar  
30 June 2025

**Profit and loss account for the year ended 31 December 2023**

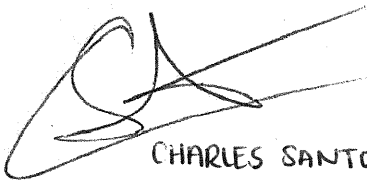
	Note	2023 £	2022 £
Turnover - continuing operations	5	14,625,000	12,856,218
Operating expenses		(8,461,052)	(7,517,299)
Operating profit - continuing operations	6	6,163,948	5,338,919
Interest payable and similar charges	9	(3,307,449)	(5,103,668)
Profit on ordinary activities before taxation		2,856,499	235,251
Taxation on ordinary activities	10	(710,319)	(69,220)
Profit for the financial year		2,146,180	166,031

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

## Balance sheet as at 31 December 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	88,762,657	91,793,490
<b>Current assets</b>			
Debtors	12	2,017,937	1,814,409
<b>Creditors: amounts falling due within one year</b>	13	(6,259,439)	(4,526,271)
<b>Net current liabilities</b>		(4,241,502)	(2,711,862)
<b>Total assets less current liabilities</b>		84,521,155	89,081,628
<b>Creditors: amounts falling due after more than one year</b>	14	(81,290,386)	(88,707,358)
Provision for other liabilities	16	(981,254)	(270,935)
<b>Net assets</b>		2,249,515	103,335
<b>Capital and reserves</b>			
Share capital	17	1,000	1,000
Profit and loss account		2,248,515	102,335
<b>Total equity</b>		2,249,515	103,335

The financial statements on pages 8 to 22 were approved and signed by the director on **30 JUN 2025**

  
**CHARLES SANTOS**  
 Gibraltar Investment (Directors) Limited  
 Director

## Statement of changes in equity for the year ended 31 December 2023

	Share capital £	Profit and loss account £	Total (deficit)/ equity £
As at 1 January 2022	1,000	(63,696)	(62,696)
Profit for the financial year	-	166,031	166,031
As at 31 December 2022	1,000	102,335	103,335
Profit for the financial year	-	2,146,180	2,146,180
As at 31 December 2023	1,000	2,248,515	2,249,515

**Notes to the financial statements for the year ended 31 December 2023****1 General information**

The company is registered in Gibraltar as a private company limited by shares and is ultimately owned by HM Government of Gibraltar. Its principal activity is to operate the Gibraltar North Mole Power Station.

The company's registered office address is 206-210 Main Street, Gibraltar.

**2 Statement of compliance**

The financial statements of ES Limited have been prepared in compliance with Financial Reporting Standard 102, 'The Financial Reporting Standard issued by the United Kingdom Financial Reporting Council', as applied pursuant to the requirements of the Gibraltar Companies Act 2014 ("FRS 102").

**3 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the accounting policies set out below, applicable legislation and applicable accounting standards.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the company's accounting policies. The areas which require a higher degree of judgement or complexity or where assumptions and estimates are significant to the financial statements are disclosed in note 4.

**Statement of cash flows**

The company did not hold cash during the year and therefore all of its transactions are non-cash transactions. As a result, the director has not presented a statement of cash flows.

**Going concern**

The director is required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The company has no plans or intentions to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

The financial statements disclose all matters of which the director is aware that are relevant to the company's ability to continue as a going concern, including all significant conditions and events, mitigating factors and the company's plans. In forming the director's view, the director has given consideration to the ongoing development of the power station and the future cash flows of the company.

As at the balance sheet date, the company's current liabilities exceeded its current assets by £4,241,502 (2022: £2,711,862) and the company was in a net asset position of £2,249,515 (2022: £103,335).

The director has given consideration to the above factors, and to the agreed income the company receives from the Gibraltar Electricity Authority (GEA), and as a result, the director believes it is appropriate to prepare the financial statements on a going concern basis.

**Notes to the financial statements for the year ended 31 December 2023 - continued****3 Summary of significant accounting policies - continued****Foreign currency balances***(i) Functional and presentation currency*

Items included in these financial statements are measured and presented using Gibraltar Pounds (£), the currency of the primary economic environment in which the company operates (the 'functional currency'), which is also the company's presentation currency.

*(ii) Transactions and balances*

Assets and liabilities denominated in foreign currencies are translated into Gibraltar Pounds at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Gibraltar Pounds at the rates ruling at the date of transaction. Profits and losses arising on translation of foreign currency are taken to the profit and loss account in the year in which they arise.

**Turnover**

Turnover represents amounts receivable from the GEA as agreed between the company and GEA. Turnover is recognised on an accruals basis.

**Taxation**

Corporation tax is provided at the applicable rate, based on the results for the period, as adjusted for tax purposes.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the taxable profits and the results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted by the balance sheet date.

Deferred tax is measured on a non-discounted basis.

*Offsetting*

The company can offset deferred tax assets and deferred tax liabilities as it has a legally enforceable right to set off current tax assets against current tax liabilities, as the deferred tax assets and deferred tax liabilities relate to income taxes levied by the Gibraltar Income Tax Office.

## Notes to the financial statements for the year ended 31 December 2023 - continued

**3 Summary of significant accounting policies - continued****Tangible assets***Land*

The land on which the power station is built is held on a 50 year lease which commenced on 30 March 2016. It is accounted for at cost which is equivalent to the consideration paid to the lessor. Amortisation of the lease commenced on the start of the power station's operations and is calculated using the straight-line method over the remaining lease term of the lease.

*Building, engines, plant auxiliaries, cabling and piping, and distribution centres*

Building, engines, plant auxiliaries, cabling and piping, and distribution centres are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated using the straight-line method to allocate the cost of the assets, net of their residual values, over their estimated useful lives as follows:

Building	-	30 years
Engines	-	30 years
Plant auxiliaries, cabling, and piping	-	30 years
Distribution centres	-	30 years

**Impairment**

Tangible assets are subject to an impairment review if there are events or changes in circumstances that indicate that their carrying amount may not be fully recoverable. The impairment review comprises a comparison of the carrying amount of the assets with its recoverable amount, which is the higher of net realisable value and value in use. The carrying value of assets is written down by the amount of any impairment and this loss is recognised in the profit and loss account in the period in which it occurs. If the occurrence of an external event gives rise to the reversal of an impairment loss, the reversal is recognised in the profit and loss account by increasing the carrying amount of the asset in the period in which it occurs. The carrying amount of the asset will only be increased up to the amount that it would have been had the original impairment not occurred.

**Financial instruments**

The company has chosen to adopt Sections 11 and 12 of FRS 102, as applied pursuant to the requirements of the Gibraltar Companies Act 2014 in respect of financial instruments.

*(i) Financial assets*

Basic financial assets, including amounts due from related parties and other debtors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for bad debt and if an asset is deemed non-recoverable a write-off is recognised in the profit and loss account.

**Notes to the financial statements for the year ended 31 December 2023 - continued****3 Summary of significant accounting policies - continued****Financial instruments - continued***(i) Financial assets - continued*

Financial assets are derecognised when (a) contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated or third party without imposing additional restrictions.

*(ii) Financial liabilities*

Basic financial liabilities, including accruals, loans and amounts due to related parties are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are classified as creditor amounts due within one year if payment is due within one year or less. If not, they are presented as creditor amounts due after more than one year. Other creditors including amounts due to related parties are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

*(iii) Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the debtor and settle the creditor simultaneously.

**Operating expenses, interest payable and similar charges**

Operating expenses, interest payable and similar charges are accounted for on an accruals basis.

**Decommissioning of power station**

The director has confirmed there is no need to recognise a provision for the costs of decommissioning the power station as the GEA has agreed to bear all such costs.

**4 Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Key accounting estimates and assumptions**

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

## Notes to the financial statements for the year ended 31 December 2023 - continued

**4 Critical accounting judgements and estimation uncertainty - continued****Key accounting estimates and assumptions - continued***(i) Useful economic lives of tangible assets*

The annual depreciation charge for building, plant, machinery and equipment, and distribution centres is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of tangible assets and note 3 for the useful economic lives for each class of depreciable assets.

**5 Turnover - continuing operations**

The turnover for the year ended amounted to £14,625,000 (2022: £12,856,218) and represents amounts funded by the GEA. All turnover was generated in Gibraltar.

**6 Operating profit**

	2023	2022
	£	£
Operating profit is stated after charging		
Accounting fees paid to the statutory auditor	2,575	2,500
Tax compliance fees paid to the statutory auditor	775	750
Audit fees	14,000	13,000
Depreciation	3,287,648	3,287,521

**7 Director emoluments**

There were no director emoluments paid during the current or preceding year.

**8 Employee information**

The company had no employees during the current or preceding year.

## Notes to the financial statements for year the ended 31 December 2023 - continued

**9 Interest payable and similar charges**

	2023 £	2022 £
Interest payable on Lombard North Central Plc (LNC) loan (see note 15)	3,310,574	2,067,127
Interest (reversal)/payable on Gibraltar Investment (Holdings) Limited loan (see note 14) (i)	(3,510)	3,036,081
Bank charges	385	460
	3,307,449	5,103,668

- (i) In the prior year, the company overpaid interest on this loan. As a result, there was a reversal of interest of £3,510 in the current year. Furthermore, Gibraltar Investment (Holdings) Limited has agreed not to charge interest on the loan from 1 January 2023 to 31 December 2023. The terms of the loan and interest are currently being reviewed for the following financial year.

**10 Tax on ordinary activities****(a) Analysis of tax charge for the year**

	2023 £	2022 £
<b>Current tax</b>		
Gibraltar corporation tax on profit for the year	-	-
<b>Deferred tax</b>		
Origination of timing differences (see note 16)	(710,319)	(69,220)
	(710,319)	(69,220)

**(b) Factors affecting tax charge for the year**

	2023 £	2022 £
<b>Profit on ordinary activities before taxation</b>	2,856,499	235,251
Tax rate of 20%	571,300	47,050
<b>Effects of:</b>		
Non-deductible expenses	22,259	-
Capital allowances in excess of depreciation	(644,987)	(1,707,309)
Tax losses carried forward	51,428	1,660,259
<b>Current tax charge for the year</b>	-	-

## Notes to the financial statements for the year ended 31 December 2023 - continued

## 11 Tangible assets

	Land £	Building £	Engines £	Plant auxiliaries, cabling and piping £	Distribution centres £	Total £
<b>Cost</b>						
As at 1 January 2023	5,000,000	28,547,977	39,362,834	16,405,552	9,052,170	98,368,533
Additions	-	-	-	256,815	-	256,815
<b>As at 31 December 2023</b>	<b>5,000,000</b>	<b>28,547,977</b>	<b>39,362,834</b>	<b>16,662,367</b>	<b>9,052,170</b>	<b>98,625,348</b>
<b>Accumulated depreciation</b>						
As at 1 January 2023	220,993	1,903,198	2,624,189	1,223,184	603,479	6,575,043
Charge for the year	110,497	951,599	1,312,095	611,718	301,739	3,287,648
<b>As at 31 December 2023</b>	<b>331,490</b>	<b>2,854,797</b>	<b>3,936,284</b>	<b>1,834,902</b>	<b>905,218</b>	<b>9,862,691</b>
<b>Net book value</b>						
<b>As at 31 December 2023</b>	<b>4,668,510</b>	<b>25,693,180</b>	<b>35,426,550</b>	<b>14,827,465</b>	<b>8,146,952</b>	<b>88,762,657</b>
As at 31 December 2022	4,779,007	26,644,779	36,738,645	15,182,368	8,448,691	91,793,490

## Notes to the financial statements for the year ended 31 December 2023 - continued

**11 Tangible assets - continued**

On 30 March 2016, the company entered into an agreement with Gibraltar Land (Holdings) Limited ("lessor") to lease a parcel of land known as 7 Mons Calpe Road, Gibraltar measuring 9,052 square meters. In consideration of the sum of £5,000,000, the lessor shall allow the lessee to hold the premise for a term of fifty years.

On 15 February 2018, the company and Bouygues Energies & Services S.A.S entered into a supplemental agreement whereby additional works would be carried out by the contractor for a total sum of £83,567,661 as recorded in variation order dated 12 December 2017, representing an increase of £3,100,000. Further supplemental agreements have been agreed after this agreement, however, they have only affected the completion deadline dates and have not had any effect on assets.

On 31 July 2020, the company and Bouygues Energies & Services S.A.S entered into a supplemental agreement extending the completion of the project to 3 August 2021. The latter also agreed to pay the maximum amount of damage delays as well as addressing a number of disputes between the parties, all of which has been accounted as a reduction to the cost of the asset, amounting to £8,030,000.

On 23 December 2020, the company received the Taking Over Certificate from Bouygues Energies & Services S.A.S indicating that their work (except in respect of outstanding works and defects identified in the same certificate) had been completed and the asset had effectively been taken over by the company. The company instructed Bouygues Energies & Services S.A.S to complete the outstanding works and defects within a period of six months from the date of the certificate.

An agreement was reached between the company and Bouygues on 8 November 2022 to settle their disputes on the completion of the outstanding works and defects by payment of the sum of £1,750,000. This was received on 17 November 2022.

A further settlement for the sum of £196,000 was received on 2 January 2024. In the prior year, the total settlement of £1,946,000 was accounted for as a reduction to the cost of the asset.

**12 Debtors**

		2023 £	2022 £
Amount due from related parties (see note 18)	(i)	1,603,744	1,618,409
Corporation tax debtor (see note 18)		218,193	-
Prepayments and other debtors		196,000	196,000
		<b>2,017,937</b>	<b>1,814,409</b>

(i) The amount due from related parties is unsecured, interest free and repayable on demand.

**13 Creditors: amounts falling due within one year**

	2023 £	2022 £
Loan due to LNC - current portion (see note 15)	5,784,517	4,152,061
Accruals	474,922	374,210
	<b>6,259,439</b>	<b>4,526,271</b>

## Notes to the financial statements for the year ended 31 December 2023 - continued

**14 Creditors: amounts falling due after more than one year**

		2023 £	2022 £
Loan due to a related party (see note 18)	(i)	46,586,764	46,586,764
Loan due to LNC - non-current portion (see note 15)	(ii)	34,703,622	42,120,594
		<b>81,290,386</b>	<b>88,707,358</b>

- (i) The loan due to a related party is unsecured, repayable upon demand and carries a fixed interest rate of 6.5% per annum. The loan has been presented as an amount due after one year as the director of Gibraltar Investment (Holdings) Limited confirmed that they will not seek repayment of capital or interest, at least, until 12 months after the balance sheet date. Furthermore, no interest was charged during the year (see note 9).
- (ii) The loan due to LNC was granted on 30 March 2016 and is repayable in full on 31 December 2030. Prior to 10 December 2021, the loan was subject to an interest rate of 2.98% above 3-months base rate per annum. On 10 December 2021, a Supplemental MPPLA agreement was entered into, stating that the LIBOR rate was to transition to the base rate as set by the Monetary Policy Committee of the Bank of England effective from 31 December 2021. See note 15 for full details.

**15 Debt financial arrangement with LNC***(a) Master Pre-Funding, Purchase and Lease Agreement*

The company entered into a long-term financing agreement with LNC for £51.5m by signing the Master Pre-Funding, Purchase and Lease Agreement ("MPPLA"). As per the MPPLA agreement, LNC will provide advance payments to the company until the EPC contract is completed. Upon completion of the development of the power station, LNC shall complete the purchase of the power station from the company and will simultaneously lease it back to the company for a period of 10 years or for the period of repayments (both rental and finance). During the lease period, the company will pay a quarterly rent, which represents both the principal plus finance charge of 2.98% above 3-months base rate per annum. Provided that no termination or event of default on the agreement, the power station will then be purchased back by the company at a purchase option price of £10 and the termination amount as determined at the end of the agreement. As part of this financing arrangement, both parties have agreed to secure the rights of LNC, which represent all present and future obligations due to LNC under the finance documents, with the following securities included within their respective security documents:

- The company and LNC entered into a Debenture that assigns to LNC by legal mortgage all freehold and leasehold property both present and future in which the company has an interest; by way of fixed and floating charges to the extent not subject to a legal mortgage on all present and future freehold and leasehold property, all chattels, plant, machinery and equipment (including but not limited to the lease asset as defined in the MPPLA), all present and future book, and other debts; and by way of absolute assignment of the insurances, all monies, all and any covenants pursuant to MPPLA, all rights under the Agreements, all causes of action and all hedging agreements entered into; and

## Notes to the financial statements for the year ended 31 December 2023 - continued

**15 Debt financial arrangement with LNC - continued***(a) Master Pre-Funding, Purchase and Lease Agreement - continued*

- Gibraltar Investment (Holdings) Limited, LNC and the company executed a mortgage of shares deed as a continuing security for the payment, discharge and performance of the secured obligations in the MPPLA and agrees to mortgage to LNC all of the securities by way of a first equitable mortgage and to that intent deposits with LNC the share certificates and share transfer form in respect of the securities together with all other documents of title or evidence of ownership in relation to the securities provided.

*(b) Put Option Agreement*

Separate to the secured documents above and included within the group of documents referred to as 'Finance Documents', the GEA has also entered into a put option agreement with LNC, with the consent of both Gibraltar Investment (Holdings) Limited and the company. On the event of default, within a period of 5 business days after the event of default, LNC can exercise the put option over the lease assets, resulting in the execution of the deed of novation (whereby the GEA assumes LNC's obligations under the MPPLA and other finance documents) and the payment of the termination amount due by GEA to LNC. The agreement also gives LNC the right to cancel and terminate the MPPLA should there be no novation deed executed after triggering the put option.

*(c) Power Purchase Agreement*

The company entered into a power purchase agreement with the GEA. The period of this agreement is aligned to the period of the MPPLA and will therefore terminate on; the later of 2 years after the end of the lease period with LNC or upon payment of all amounts due to LNC. Under this agreement, the company:

- remains liable for all risks associated with the site,
- shall take all measures to ensure the protection and security of the power station and site,
- shall operate and maintain the power station,
- shall enter into the O&M contract with the GEA or such entity as the GEA may direct.

Furthermore, the GEA shall purchase all of the electrical power generated by the power station and pay the charges during the term of this agreement.

*(d) GEA Direct Agreement*

The company has entered into a direct agreement with the GEA and LNC in respect of the rights and interests in the power purchase agreement and providing for the subordination of all financial indebtedness provided to the company by the GEA to the claims of LNC under the finance documents.

As a result of the completion of the construction, the company and LNC agreed on a payment schedule of the carrying amount of the loan as at the balance sheet date, based on the terms agreed on the MPPLA and the supplemental MPPLA dated 10 December 2021.

## Notes to the financial statements for the year ended 31 December 2023 - continued

## 15 Debt financial arrangement with LNC - continued

(d) GEA Direct Agreement - continued

	2023 £	2022 £
<b>Bank loan</b>	<b>40,488,139</b>	<b>46,272,655</b>
<b>Maturity of debt</b>		
Less than 1 year	5,784,517	4,152,061
2 to 5 years	23,138,066	18,432,225
More than 5 years	11,565,556	23,688,369
	<b>40,488,139</b>	<b>46,272,655</b>

## 16 Provisions for other liabilities

The company had the following provisions during the year:

	2023 £	2022 £
<b>Deferred tax provision:</b>		
As at 1 January	270,935	201,715
Additions dealt with in profit or loss (see note 10)	710,319	69,220
<b>As at 31 December</b>	<b>981,254</b>	<b>270,935</b>

The provision for deferred tax consists of the following deferred tax asset and liabilities:

	2023 £	2022 £
Accelerated capital allowances	8,182,475	7,420,728
Unused tax losses	(7,201,221)	(7,149,793)
<b>Total provision</b>	<b>981,254</b>	<b>270,935</b>

## Notes to the financial statements for the year ended 31 December 2023 - continued

## 17 Called up share capital

	2023 £	2022 £
<b>Authorised:</b>		
1,000 ordinary shares of £1 each	1,000	1,000
41,000,000 redeemable cumulative preference share of £1 each	41,000,000	41,000,000
	<b>41,001,000</b>	<b>41,001,000</b>
<b>Issued and fully paid:</b>		
1,000 ordinary shares of £1 each	1,000	1,000

## 18 Related party transactions

The director considers that the transactions with related parties and outstanding balances as at 31 December with related parties are as below.

	Profit & loss account		Balance Sheet	
	2023 £	2022 £	2023 £	2022 £
<b>Gibraltar statutory body:</b>				
Gibraltar Electricity Authority	14,625,000	12,856,218	-	-
<b>Immediate parent:</b>				
Gibraltar Investment (Holdings) Limited	3,510	(3,036,081)	(46,586,764)	(46,586,764)
<b>Government and entities under common control:</b>				
Corporation tax debtor	-	-	218,193	-
Advances	-	-	1,603,744	1,618,409

The GEA is a statutory body with perpetual succession created and that the Composition of the Authority in accordance with the Gibraltar Electricity Authority Act of 2003 consists of the HM Government of Gibraltar Minister responsible for Electricity, the Chief Executive Officer, the Deputy Executive Officer and not less than four members selected by the HM Government of Gibraltar Minister.

## 19 Immediate parent undertaking and ultimate controlling party

The immediate parent undertaking is Gibraltar Investment (Holdings) Limited, a company incorporated in Gibraltar.

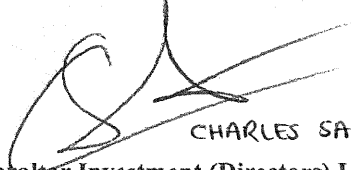
The director regards HM Government of Gibraltar as the ultimate controlling party by virtue of its 100% interest in the share capital of Gibraltar Investment (Holdings) Limited.

## ES Limited

### Balance sheet as at 31 December 2023

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	11	88,762,657	91,793,490
<b>Current assets</b>			
Debtors	12	2,017,937	1,814,409
<b>Creditors: amounts falling due within one year</b>	13	(6,259,439)	(4,526,271)
<b>Net current liabilities</b>		(4,241,502)	(2,711,862)
<b>Total assets less current liabilities</b>		84,521,155	89,081,628
<b>Creditors: amounts falling due after more than one year</b>	14	(81,290,386)	(88,707,358)
Provision for other liabilities	16	(981,254)	(270,935)
<b>Net assets</b>		2,249,515	103,335
<b>Capital and reserves</b>			
Share capital	17	1,000	1,000
Profit and loss account		2,248,515	102,335
<b>Total equity</b>		2,249,515	103,335

This balance sheet has been prepared for the purposes of filing in accordance with Section 254 of the Companies Act 2014 and was signed by the director on ...**30 JUN 2025**...

  
CHARLES SANTOS  
Gibraltar Investment (Directors) Limited  
Director