

**REGISTERED NUMBER: 06937931 (England and Wales)**

**REPORT OF THE DIRECTOR AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
FOR  
ENEL X UK LIMITED  
PREVIOUSLY KNOWN AS  
ENERNOC UK LIMITED**

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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**ENEL X UK LIMITED  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**DIRECTOR:** D Idstein

**REGISTERED OFFICE:** 360-364 City Road  
London  
EC1V 2PY

**REGISTERED NUMBER:** 06937931 (England and Wales)

**AUDITORS:** Scrutton Bland LLP  
Chartered Accountant & Statutory Auditor  
Fitzroy House  
Crown Street  
Ipswich  
Suffolk  
IP1 3LG

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption in accordance with s415A of the Companies Act 2006. As permitted by Section 414b of the Companies Act 2006, the directors have taken advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

**CHANGE OF NAME**

The company passed a special resolution on 1 October 2018 changing its name from ENERNOC UK LIMITED to ENEL X UK Limited.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of information technology consultancy, the provision of energy conservation consultancy, processing of data and the provision of web-enabled software.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2018.

**DIRECTORS**

D Idstein has held office during the whole of the period from 1 January 2018 to the date of this report.

Other changes in directors holding office are as follows:

M I Storch and B J Waters ceased to be directors after 31 December 2018 but prior to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 him to ensure that the financial statements comply with the Companies Act 2006. He 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOG UK LIMITED**

**REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**AUDITORS**

The auditors, Scrutton Bland LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE DIRECTOR:**

D Idstein - Director

30 December 2019

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ENEL X UK LIMITED  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

**Opinion**

We have audited the financial statements of ENEL X UK Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
ENEL X UK LIMITED  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page two, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

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

Susan Gull (Senior Statutory Auditor)  
for and on behalf of Scrutton Bland LLP  
Chartered Accountant & Statutory Auditor  
Fitzroy House  
Crown Street  
Ipswich  
Suffolk  
IP1 3LG

31 December 2019

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

|                                       | Notes | 2018<br>£          | 2017<br>£           |
|---------------------------------------|-------|--------------------|---------------------|
| <b>TURNOVER</b>                       | 3     | 4,496,807          | 5,059,469           |
| Administrative expenses               |       | <u>(7,722,327)</u> | <u>(4,704,550)</u>  |
| <b>OPERATING (LOSS)/PROFIT</b>        | 5     | (3,225,520)        | 354,919             |
| Foreign exchange gains/(losses)       | 6     | (206,615)          | 424,398             |
| Impairment of investment              | 6     | <u>-</u>           | <u>(18,957,742)</u> |
|                                       |       | (3,432,135)        | (18,178,425)        |
| Interest payable and similar expenses | 7     | <u>(7)</u>         | <u>(44,697)</u>     |
| <b>LOSS BEFORE TAXATION</b>           |       | (3,432,142)        | (18,223,122)        |
| Tax on loss                           | 8     | <u>-</u>           | <u>2,199</u>        |
| <b>LOSS FOR THE FINANCIAL YEAR</b>    |       | <u>(3,432,142)</u> | <u>(18,220,923)</u> |

The notes form part of these financial statements



**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

|  | Notes | 2018<br>£          | 2017<br>£           |
|--|-------|--------------------|---------------------|
| <b>LOSS FOR THE YEAR</b>                           |       | (3,432,142)        | (18,220,923)        |
| <b>OTHER COMPREHENSIVE INCOME</b>                  |       | <u>-</u>           | <u>-</u>            |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE YEAR</b> |       | <u>(3,432,142)</u> | <u>(18,220,923)</u> |

The notes form part of these financial statements

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOG UK LIMITED**

**STATEMENT OF FINANCIAL POSITION  
31 DECEMBER 2018**

|  | Notes | 2018<br>£           | 2017<br>£           |
|--|-------|---------------------|---------------------|
| <b>FIXED ASSETS</b>                          |       |                     |                     |
| Tangible assets                              | 9     | 365,861             | 418,692             |
| Investments                                  | 10    | -                   | -                   |
|  |       | <u>365,861</u>      | <u>418,692</u>      |
| <b>CURRENT ASSETS</b>                        |       |                     |                     |
| Debtors                                      | 11    | 1,625,152           | 3,514,320           |
| Cash at bank                                 |       | 848,834             | 1,628,354           |
|  |       | <u>2,473,986</u>    | <u>5,142,674</u>    |
| <b>CREDITORS</b>                             |       |                     |                     |
| Amounts falling due within one year          | 12    | <u>(2,010,625)</u>  | <u>(1,300,002)</u>  |
| <b>NET CURRENT ASSETS</b>                    |       | <u>463,361</u>      | <u>3,842,672</u>    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>829,222</u>      | <u>4,261,364</u>    |
| <b>CAPITAL AND RESERVES</b>                  |       |                     |                     |
| Called up share capital                      | 13    | 32,636              | 32,636              |
| Share premium                                | 14    | 22,610,830          | 22,610,830          |
| Other reserves                               | 14    | 68,512              | 68,512              |
| Retained earnings                            | 14    | <u>(21,882,756)</u> | <u>(18,450,614)</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>829,222</u>      | <u>4,261,364</u>    |

The financial statements were approved by the director on 30 December 2019 and were signed by:

D Idstein - Director

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOG UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

|                                    | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£  | Share<br>premium<br>£    | Other<br>reserves<br>£ | Total<br>equity<br>£  |
|------------------------------------|------------------------------------|----------------------------|--------------------------|------------------------|-----------------------|
| <b>Balance at 1 January 2017</b>   | 10,001                             | (229,691)                  | -                        | 24,696                 | (194,994)             |
| <b>Changes in equity</b>           |                                    |                            |                          |                        |                       |
| Issue of share capital             | 22,635                             | -                          | 22,610,830               | -                      | 22,633,465            |
| Total comprehensive income         | -                                  | (18,220,923)               | -                        | -                      | (18,220,923)          |
| Capital contribution               | -                                  | -                          | -                        | 43,816                 | 43,816                |
| <b>Balance at 31 December 2017</b> | <u>32,636</u>                      | <u>(18,450,614)</u>        | <u>22,610,830</u>        | <u>68,512</u>          | <u>4,261,364</u>      |
| <b>Changes in equity</b>           |                                    |                            |                          |                        |                       |
| Total comprehensive income         | -                                  | (3,432,142)                | -                        | -                      | (3,432,142)           |
| <b>Balance at 31 December 2018</b> | <u><u>32,636</u></u>               | <u><u>(21,882,756)</u></u> | <u><u>22,610,830</u></u> | <u><u>68,512</u></u>   | <u><u>829,222</u></u> |

The notes form part of these financial statements

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOG UK LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

|   | Notes | 2018<br>£        | 2017<br>£        |
|---|-------|------------------|------------------|
| <b>Cash flows from operating activities</b>             |       |                  |                  |
| Cash generated from operations                          | 1     | (685,397)        | 1,943,148        |
| Interest paid   |       | <u>(7)</u>       | <u>-</u>         |
| Net cash from operating activities                      |       | <u>(685,404)</u> | <u>1,943,148</u> |
| <b>Cash flows from investing activities</b>             |       |                  |                  |
| Purchase of tangible fixed assets                       |       | <u>(94,116)</u>  | <u>(394,695)</u> |
| Net cash from investing activities                      |       | <u>(94,116)</u>  | <u>(394,695)</u> |
| <b>(Decrease)/increase in cash and cash equivalents</b> |       | <u>(779,520)</u> | <u>1,548,453</u> |
| <b>Cash and cash equivalents at beginning of year</b>   | 2     | 1,628,354        | 79,901           |
| <b>Cash and cash equivalents at end of year</b>         | 2     | <u>848,834</u>   | <u>1,628,354</u> |

The notes form part of these financial statements

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. **RECONCILIATION OF LOSS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS**

|                                       | 2018             | 2017             |
|---------------------------------------|------------------|------------------|
|                                       | £                | £                |
| Loss for the financial year           | (3,432,142)      | (18,220,923)     |
| Depreciation charges                  | 146,947          | 11,110           |
| Share options expenses                | -                | 47,389           |
| Impairment of investment              | -                | 18,957,742       |
| Decrease in corporation tax provision | -                | 2,199            |
| Finance costs                         | 7                | 44,697           |
| Taxation                              | -                | (2,199)          |
|                                       | (3,285,188)      | 840,015          |
| Decrease in trade and other debtors   | 1,889,168        | 570,286          |
| Increase in trade and other creditors | 710,623          | 532,847          |
| <b>Cash generated from operations</b> | <b>(685,397)</b> | <b>1,943,148</b> |

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2018**

|                           | 31.12.18 | 1.1.18    |
|---------------------------|----------|-----------|
|                           | £        | £         |
| Cash and cash equivalents | 848,834  | 1,628,354 |

**Year ended 31 December 2017**

|                           | 31.12.17  | 1.1.17 |
|---------------------------|-----------|--------|
|                           | £         | £      |
| Cash and cash equivalents | 1,628,354 | 79,901 |

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOCK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. STATUTORY INFORMATION**

ENEL X UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Preparation of consolidated financial statements**

The financial statements contain information about Enel X UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Enel S.p.A., Viale Regina Margherita 137, Rome, Italy.

**Going concern**

The Company has net assets at 31 December 2018 of £829,222 (2017: £4,261,364). After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. This is due to the ongoing support of the parent group. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The directors have obtained confirmation from the company's parent, Enel X International S.R.L., that it is committed to support the activities of Enel X UK Limited and will continue to provide sufficient funds, as part of that support, to enable Enel X UK Limited to meet its liabilities as they fall due for at least 12 months from the date of signing the accounts

**Revenue**

Turnover is recognised to the extent that is probable that the economic benefits will flow to the company and the turnover can reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Fees for administrating both the sales support and installation, and utility bill management business of the parent company are recognised over the period for which the services are provided, in the line with contractual agreements

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

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

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less cost to sell or its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

The estimated useful lives range as follows:

Leasehold improvements - 60 months

Plant & machinery - 36 months

Company equipment - 48 months

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

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

**Cash and cash equivalents**

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

**Debtors**

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

**Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net transaction cost, and are measured subsequently at amortised cost using the effective interest method.

**Financial Instruments**

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loan from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For the financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Financial costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issued costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.



**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. ACCOUNTING POLICIES - continued**

**Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with the fair value of goods and services received.

Where the options awarded are for shares in a parent company the fair value of the shares to be issued is recognised as capital contribution.

**Pensions**

**Defined contribution pension plan.**

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

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

ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOC UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES - continued

**Current and deferred taxation**

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profit; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair value of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

|                | 2018             | 2017             |
|----------------|------------------|------------------|
|                | £                | £                |
| United Kingdom | 4,496,807        | 4,837,944        |
| Europe         | -                | 23,833           |
| Rest of world  | -                | 197,692          |
|                | <u>4,496,807</u> | <u>5,059,469</u> |

Turnover is derived from the provision of services.

**ENEL X UK LIMITED (REGISTERED NUMBER: 06937931)  
PREVIOUSLY KNOWN AS ENERNOCK UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**4. EMPLOYEES AND DIRECTORS**

|                       | 2018             | 2017             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,479,353        | 1,379,630        |
| Social security costs | 182,095          | 170,763          |
| Other pension costs   | 80,716           | 38,372           |
|                       | <u>1,742,164</u> | <u>1,588,765</u> |

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

|                          | 2018      | 2017      |
|--------------------------|-----------|-----------|
| Customer service         | 14        | 14        |
| Engineering              | 1         | 1         |
| Sales and acquisition    | 5         | 8         |
| Staff and services costs | 4         | 3         |
|                          | <u>24</u> | <u>26</u> |

|                         | 2018     | 2017     |
|-------------------------|----------|----------|
|                         | £        | £        |
| Directors' remuneration | <u>-</u> | <u>-</u> |

**5. OPERATING (LOSS)/PROFIT**

The operating loss (2017 - operating profit) is stated after charging:

|                             | 2018          | 2017         |
|-----------------------------|---------------|--------------|
|                             | £             | £            |
| Hire of plant and machinery | 774           | 478          |
| Other operating leases      | 8,719         | -            |
| Depreciation - owned assets | 146,947       | 11,110       |
| Auditors' remuneration      | <u>12,750</u> | <u>5,199</u> |

**6. EXCEPTIONAL ITEMS**

A foreign exchange loss of £206,615 (Gain 2017 - £424,938) has been recognised in the Income Statement in respect to loan and trading balances owed to Enel X North America, Inc.

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

|                        | 2018     | 2017          |
|------------------------|----------|---------------|
|                        | £        | £             |
| Group interest payable | <u>7</u> | <u>44,697</u> |

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**8. TAXATION**

**Analysis of the tax credit**

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

|                               | 2018     | 2017           |
|-------------------------------|----------|----------------|
|                               | £        | £              |
| Current tax:                  |          |                |
| over provision in prior years | -        | (2,199)        |
| Tax on loss                   | <u>-</u> | <u>(2,199)</u> |

UK corporation tax has been charged at 19% .

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

|  | 2018               | 2017                |
|--|--------------------|---------------------|
|  | £                  | £                   |
| Loss before tax  | <u>(3,432,142)</u> | <u>(18,223,122)</u> |
| Loss multiplied by the standard rate of corporation tax in the UK of 19%<br>(2017 - 19.250%) | (652,107)          | (3,507,951)         |
| Effects of:  |                    |                     |
| Expenses not deductible for tax purposes   | 47                 | 3,649,371           |
| Capital allowances in excess of depreciation   | (20,681)           | (538)               |
| Utilisation of tax losses  | 672,741            | (140,882)           |
| Adjustments to tax charge in respect of previous periods                                     | -                  | (2,199)             |
| Total tax credit   | <u>-</u>           | <u>(2,199)</u>      |

The company has estimated tax losses of £18,457,911 available for offset against future trading profits. No deferred tax asset has been recognised in the balance sheet as the recognition criteria of FRS 102 have not been met. The total potential deferred tax asset not recognised comprises:

|                        | 2018      | 2017      |
|------------------------|-----------|-----------|
|                        | £         | £         |
| Losses carried forward | 3,137,844 | 2,543,973 |

The tax rate used to calculate the unrecognised deferred tax asset is 17% (2017: 17%). The change in the rate used reflects changes to legislation affecting the rate at which these losses are expected to unwind.

**Factors that may affect future tax charges**

It was announced in the March 2016 budget that the main rate of tax would reduce to 19% for financial years from 2017 and to 17% for financial years from 2020.

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. TANGIBLE FIXED ASSETS**

|                           | Leaschold<br>improvements<br>£   | Assets<br>under<br>construction<br>£ | Plant and<br>machinery<br>£ |
|---------------------------|----------------------------------|--------------------------------------|-----------------------------|
| <b>Cost</b>               |                                  |                                      |                             |
| At 1 January 2018         | 10,940                           | 387,430                              | 25,372                      |
| Additions                 | -                                | 94,116                               | -                           |
| Reclassification/transfer | -                                | (346,100)                            | 346,100                     |
| At 31 December 2018       | <u>10,940</u>                    | <u>135,446</u>                       | <u>371,472</u>              |
| <b>Depreciation</b>       |                                  |                                      |                             |
| At 1 January 2018         | 3,100                            | -                                    | 8,009                       |
| Charge for year           | 2,188                            | -                                    | 141,908                     |
| At 31 December 2018       | <u>5,288</u>                     | <u>-</u>                             | <u>149,917</u>              |
| <b>Net book value</b>     |                                  |                                      |                             |
| At 31 December 2018       | <u>5,652</u>                     | <u>135,446</u>                       | <u>221,555</u>              |
| At 31 December 2017       | <u>7,840</u>                     | <u>387,430</u>                       | <u>17,363</u>               |
|                           | Fixtures<br>and<br>fittings<br>£ | Computer<br>equipment<br>£           | Totals<br>£                 |
| <b>Cost</b>               |                                  |                                      |                             |
| At 1 January 2018         | 507,465                          | 11,404                               | 942,611                     |
| Additions                 | -                                | -                                    | 94,116                      |
| At 31 December 2018       | <u>507,465</u>                   | <u>11,404</u>                        | <u>1,036,727</u>            |
| <b>Depreciation</b>       |                                  |                                      |                             |
| At 1 January 2018         | 507,465                          | 5,345                                | 523,919                     |
| Charge for year           | -                                | 2,851                                | 146,947                     |
| At 31 December 2018       | <u>507,465</u>                   | <u>8,196</u>                         | <u>670,866</u>              |
| <b>Net book value</b>     |                                  |                                      |                             |
| At 31 December 2018       | <u>-</u>                         | <u>3,208</u>                         | <u>365,861</u>              |
| At 31 December 2017       | <u>-</u>                         | <u>6,059</u>                         | <u>418,692</u>              |

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PREVIOUSLY KNOWN AS ENERNOG UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**10. FIXED ASSET INVESTMENTS**

|   | Shares in<br>group<br>undertakings<br>£ |
|---|---|
| <b>Cost</b>                               |   |
| At 1 January 2018<br>and 31 December 2018 | 18,957,742                              |
| <b>Provisions</b>                         |   |
| At 1 January 2018<br>and 31 December 2018 | 18,957,742                              |
| <b>Net book value</b>                     |   |
| At 31 December 2018                       | -                                       |
| At 31 December 2017                       | -                                       |

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**EnerNOG UK II Limited**

Registered office: 360-364 City Road, London, UK

Nature of business: Provision of energy consultancy services

|                                | %       |             |             |
|--------------------------------|---------|-------------|-------------|
| Class of shares:               | holding | 2018        | 2017        |
| Ordinary                       | 100.00  | £           | £           |
| Aggregate capital and reserves |         | (2,124,676) | (1,675,144) |
| Loss for the year              |         | (452,456)   | (3,525,460) |

The aggregate capital and reserves of £2,124,676 ( 2017 : £1,675,144) represents Shareholder's Funds at both balance sheet dates.

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2018      | 2017      |
|------------------------------------|-----------|-----------|
|                                    | £         | £         |
| Trade debtors                      | 121,541   | 249,441   |
| Amounts owed by group undertakings | 1,202,146 | 2,196,668 |
| Other debtors                      | 15,132    | 930,858   |
| Prepayments and accrued income     | 286,333   | 137,353   |
|                                    | 1,625,152 | 3,514,320 |

Amounts owed by group undertakings are unsecured, do not attract interest and have no fixed date of repayment.

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                    | 2018             | 2017             |
|------------------------------------|------------------|------------------|
|                                    | £                | £                |
| Trade creditors                    | -                | 217              |
| Amounts owed to group undertakings | 1,654,491        | -                |
| Social security and other taxes    | -                | 178,668          |
| VAT                                | 84,474           | -                |
| Other creditors                    | 25,322           | -                |
| Accrued expenses                   | 246,338          | 1,121,117        |
|                                    | <u>2,010,625</u> | <u>1,300,002</u> |

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

| Number: | Class:   | Nominal value: | 2018          | 2017          |
|---------|----------|----------------|---------------|---------------|
|         |          |                | £             | £             |
| 32,636  | Ordinary | £1             | <u>32,636</u> | <u>32,636</u> |

**14. RESERVES**

**Other Reserves**

The other reserves relates to additional capital contribution made by the parent company in respect of the fair value of the options to purchase its shares issued to employees of the company, which has been recognised as an expense in the profit and loss account.

**15. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The parent company, Enel X International S.R.L has guaranteed the intercompany loan owed to Enel X UK Limited from EnerNOC UK II Limited.

During the year, a total of key management personnel compensation of £Nil (2017: £Nil) was paid.

**16. CONTROLLING PARTY**

The ultimate parent company is Enel S.p.A. a company incorporated in Italy.

Their address is Viale Regina Margherita 137, Rome, Italy, to obtain a copy of the group accounts.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.