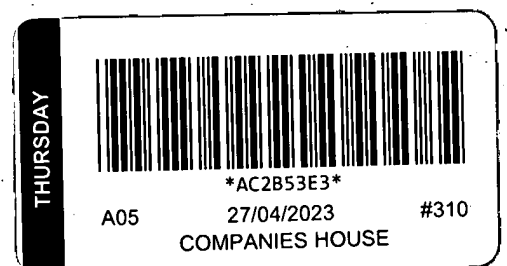


Registered number: 12401677

**GHGSAT (UK) LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**



# **GHGSAT (UK) LIMITED**

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# **GHGSAT (UK) LIMITED**

## **COMPANY INFORMATION**

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**Directors**

S Germain  
F Rodrigue

**Registered number**

12401677

**Registered office**

Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

**Independent auditor**

Blick Rothenberg Audit LLP  
Chartered Accountants & Statutory Auditor  
16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

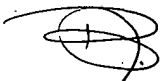
**GHGSAT (UK) LIMITED****BALANCE SHEET  
AS AT 31 AUGUST 2022**

	Note	2022 £	2021 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	123,659	38,177
Cash at bank and in hand		126,257	16,083
		<u>249,916</u>	<u>54,260</u>
Creditors: amounts falling due within one year	6	(178,457)	(45,956)
<b>Net current assets</b>		<u>71,459</u>	<u>8,304</u>
<b>Total assets less current liabilities</b>		<u>71,459</u>	<u>8,304</u>
<b>Net assets</b>		<u>71,459</u>	<u>8,304</u>
<b>Capital and reserves</b>			
Called up share capital	7	1	1
Profit and loss account		71,458	8,303
<b>Total equity</b>		<u>71,459</u>	<u>8,304</u>

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

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**F Rodrigue**

Director

Date: April 20, 2023

The notes on pages 3 to 9 form part of these financial statements.

# **GHGSAT (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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### **1. General information**

GHGSat (UK) Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is Cannon Place, 78 Cannon Street, London, United Kingdom EC4N 6AF.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The sole customer of the company is the parent company, GHGSat Inc. The company is therefore dependent on the performance and support of GHGSat Inc and the going concern status of the company is intertwined with the going concern status of GHGSat Inc. The company has received assurances from GHGSat Inc confirming its intention to support the company for at least twelve months from the date of approval of these financial statements.

Having considered post year end trading and the financial results of the group and group cash reserves, and after making enquiries of the directors of the parent undertaking, the directors have a reasonable expectation on the group's ability to continue as a going concern and therefore its continued ability to provide financial support to the company.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### **2.3 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is Sterling (£).

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

# **GHGSAT (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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### **2. Accounting policies (continued)**

#### **2.4 Revenue**

Revenue from contracts to provide sales and technical services to group companies is recognised in the period in which the services are provided. Revenue is recognised to the extent that it is probable that the company will receive the consideration due under the contract and the amount of revenue can be measured reliably. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax.

#### **2.5 Financial instruments**

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

##### **Financial assets**

Basic financial assets, including other debtors, cash and bank balances, and intercompany financing, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

##### **Financial liabilities**

Basic financial liabilities, including trade and other creditors, bank loans 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# **GHGSAT (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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### **2. Accounting policies (continued)**

#### **Financial instruments (continued)**

##### **Impairment of financial assets**

Financial assets 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 profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

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

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks 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 third party without imposing additional restrictions.

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

##### **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **2.6 Operating leases: the company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

# **GHGSAT (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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### **2. Accounting policies (continued)**

#### **2.7 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 profit or loss 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.

#### **2.8 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.

#### **2.9 Share capital**

Ordinary shares are classified as equity.

#### **2.10 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

#### **2.11 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

# **GHGSAT (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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### **2. Accounting policies (continued)**

#### **2.12 Taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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 profits; 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

#### **Share based payments**

The company participates in an equity settled share based payment arrangement in which share options in its parent company are issued to employees of the company. The fair value determined at the grant date is expensed on a straight line basis over the vesting period. The fair value is calculated using the appropriate fair value model with the estimated level of vesting be reviewed annually by management.

### **4. Employees**

The average monthly number of employees, including directors, during the year was 11 (2021 - 6).

# GHGSAT (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

### 5. Debtors

	2022 £	2021 £
Amounts owed by group undertakings	80,833	22,974
Other debtors	22,546	2,003
Prepayments and accrued income	20,280	13,200
	<u>123,659</u>	<u>38,177</u>

### 6. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	16,068	1,968
Corporation tax	16,335	1,971
Other taxation and social security	3,977	-
Other creditors	4,126	10,014
Accruals and deferred income	137,951	32,003
	<u>178,457</u>	<u>45,956</u>

### 7. Share capital

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1 (2021 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

### 8. Pension commitments

The company operates a defined contribution scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

During the year, contributions amounting to £33,211 (2021: £5,467) were payable to this fund, with an amount of £6,484 (2021: £1,690) included within trade and other creditors at year end.

# **GHGSAT (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022**

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### **9. Commitments under operating leases**

At 31 August 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>2022</b>	2021
	£	£
Not later than 1 year	<b>52,250</b>	38,900

### **10. Related party transactions**

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

### **11. Controlling party**

The smallest group for which consolidated financial statements are drawn up is headed by GHGSat Inc. whose registered address is 3981 St-Laurent Boulevard, Suite 500, Montreal, Quebec, H2W 1Y5, Canada.

### **12. Auditor's information**

The auditor's report on the financial statements for the year ended 31 August 2022 was unqualified.

The audit report was signed on 21 April 2023 by Darsh Shah (senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.