



## **Filing Receipt**

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# PERIDOT POWER, LLC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

WITH INDEPENDENT AUDITOR'S REPORT





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## **Independent Auditor's Report**

**To the Members of**

**Peridot Power LLC.**

### **Opinion**

We have audited the accompanying financial statements of Peridot Power Inc., which comprise the statements of financial position as of December 31, 2022, the related statements of activities and net assets and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Peridot as of December 31, 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Responsibilities of Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, accounting principles, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are generally accepted in the United States of America; this includes the design, implementation, free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Peridot's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Lianxiang Gao*

Houston, Texas

April 16, 2023



**Peridot Power LLC**  
**Statements of Financial Position**

Year Ended December 31

	2022	2021
<b>Asset</b>		
<b>Current assets</b>		
Cash and cash equivalents	37,884	-
Collateral	503,671	-
Letter of Credit	500,000	-
Escrow	2,800	-
Accounts receivable	-	-
Unbilled receivable	-	-
Deferred revenue	-	-
Prepaid expenses and other current assets	-	-
<b>Total current assets</b>	1,044,355	-
<b>Non-current assets</b>		-
Property, plant and equipment		-
Intangible assets		-
Default charges receivable, non-current		-
Other long-term assets		-
<b>Total non-current assets</b>	-	-
<b>Total assets</b>	1,044,355	-
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	-	-
Accrued liabilities	-	-
Security deposits and reserves	-	-
Market settlement liabilities	-	-
Other long-term liabilities	-	-
<b>Total Liabilities</b>	-	-
<b>Equity and Liabilities Equity</b>		
Share capital	1,060,000	-
Retained earnings	(15,645)	-
<b>Total Equity</b>	1,044,355	-
<b>Total Equity and Liabilities</b>	1,044,355	-



**Peridot Power LLC**  
**Statement of Revenues, Expenses and Net Assets**

Year Ended December 31

	2022	2021
<b>Operating revenue:</b>		
System administration fees	-	-
Other service revenue	-	-
Default charges fees	-	-
<b>Total operating revenues</b>	-	-
<b>Operating expenses:</b>		
Bank Service Charges	5,300	-
Business Licenses and Permits	2,043	-
Professional Fees	8,223	-
Sales and marketing	-	-
General and administrative	-	-
Salaries and related benefits	-	-
Internet	78	-
Facility and equipment costs	-	-
Depreciation and amortization	-	-
<b>Total operating expenses</b>	15,645	-
<b>Loss from operations</b>	(15,645)	-
<b>Other Income</b>		
Interest Income	-	-
Interest expense	-	-
<b>Total other income</b>	-	-
<b>Income (Loss) from operations</b>	(15,645)	-



**Peridot Power LLC**  
**Statement of Cash Flows**

Year Ended December 31

	2022	2021
<b>Cash flows from Operating activities</b>		
Accounts receivable	-	-
Unbilled receivable	-	-
Deferred revenue	-	-
Prepaid expenses and other current assets	-	-
Operating expenses:	15,645	-
Other long-term assets	-	-
Accounts payable	-	-
Accrued liabilities	-	-
Security deposits and reserves	-	-
Market settlement liabilities	-	-
Other long-term liabilities	-	-
<b>Net cash flow generated from operating activities</b>	15,645	-
 <b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	1,060,000	-
Repayments/proceeds from long term borrowings		-
Dividend paid		-
Cash paid for interest		-
<b>Net cash flow used in financing activities</b>	1,060,000	-
 Net increase/(decrease) in cash and cash equivalents		
Cash & cash equivalents at start of the period	-	-
<b>Cash &amp; cash equivalents at end of the period</b>	1,044,355	-





## Notes to Financial Statements



## **1. Description of the Company**

Peridot Power LLC. Was incorporated on May 20, 2022. It is an American retail electricity provider headquartered in Houston, Texas. serving residential and business customers in deregulated regions of Texas.

## **2. Summary of Significant Accounting Policies**

### **Basis of Presentation**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

### **Use of Accounting Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities the disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reported period. We evaluate estimates and assumptions, including revenue recognition, the determination of the allowance for doubtful accounts, the useful lives and recoverability of long-lived assets, contingent consideration, certain assumptions used in the valuation of equity, and the determination of stock-based compensation and income taxes.

### **Foreign Currency Transactions**

The reporting currency of the company is the U.S. dollar, and the functional currency of the company's subsidiaries is the U.S. dollar. Accordingly, there is no currency translation adjustment.

### **Cash and Cash Equivalents**

The Company considers all highly liquid investments purchased with an original or remaining term to maturity of three months or less to be cash equivalents. Cash and cash equivalents consisted of cash deposited with banks. The company deposits its cash and cash equivalents with major financial institutions that management believes are of high credit quality.



### **Revenue Recognition and Deferred Revenues**

The Company derives revenues primarily from long-term service contracts with clients.

### **Letter of Credit**

The letter of credit is evaluating Applicants and Counterparties for participation in the ERCOT-administered market. A letter of credit, also known as a documentary credit or bankers' commercial credit, or letter of undertaking, is a payment mechanism used in trade to provide an economic guarantee from a creditworthy bank to the goods. It is unconditional and irrevocable and names Public Utility Commission of Texas as the beneficiary.

### **Collateral**

Collateral is an item of value pledged to ERCOT. It is a cash deposit, deposited in an account designated by ERCOT. It bears interest payable to the counterparty.

### **Escrow**

A legal arrangement in which the ERCOT temporarily holds money until a particular condition has been met

**Peridot Power, LLC**  
**Balance Sheet**  
As of June 30, 2023

	Jun 30, 23
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Amegy Bank Letter of Credit	500,000.00
Chase Checking - 7399	13,090.41
ERCOT Collateral	523,671.00
ERCOT Subchapter N Escrow	2,800.00
Total Checking/Savings	1,039,561.41
Total Current Assets	1,039,561.41
<b>TOTAL ASSETS</b>	<b>1,039,561.41</b>
<b>LIABILITIES &amp; EQUITY</b>	
Equity	
Member 1 Capital Account	
Member 1 Equity	752,177.69
Total Member 1 Capital Account	752,177.69
Member 2 Capital Account	
Member 2 Equity	292,177.70
Total Member 2 Capital Account	292,177.70
Net Income	-4,793.98
Total Equity	1,039,561.41
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,039,561.41</b>

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Accrual Basis

**Peridot Power, LLC**  
**Profit & Loss**  
**January through June 2023**

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	<u>Jan - Jun 23</u>
Ordinary Income/Expense	
Expense	
Bank Service Charges	102.50
Computer and Internet Expenses	615.96
Professional Fees	4,075.52
	<hr/>
Total Expense	4,793.98
	<hr/>
Net Ordinary Income	-4,793.98
	<hr/>
Net Income	<u><u>-4,793.98</u></u>

**Peridot Power, LLC**  
**Statement of Cash Flows**  
January through June 2023

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	<u>Jan - Jun 23</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-4,793.98
<b>Net cash provided by Operating Activities</b>	-4,793.98
<b>FINANCING ACTIVITIES</b>	
Member 1 Capital Account:Member 1 Eq...	-7,822.31
Member 2 Capital Account:Member 2 Eq...	-7,822.30
Retained Earnings	15,644.61
<b>Net cash provided by Financing Activities</b>	0.00
<b>Net cash increase for period</b>	-4,793.98
<b>Cash at beginning of period</b>	1044355.39
<b>Cash at end of period</b>	<u><u>1039561.41</u></u>



**Peridot Power, LLC**

July 26, 2023

### Sworn Statement of Peridot Power

I, Yongjun Ren, hereby swear or affirm as follows:

- Peridot Power, LLC is not in material violation of any of the requirements of the certificate
- All information provided is accurate for applying the certificate
- The Balance Sheet provided as of 06/30/2023 is accurate

I swear or affirm under penalty of perjury that the information I have provided is true and accurate to the best of my knowledge, information and belief.

Sincerely,

A handwritten signature in black ink, appearing to be 'Yongjun Ren', written over a horizontal line.

Yongjun Ren

Managing partner

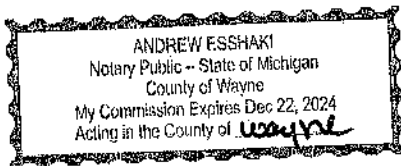
**INDIVIDUAL ACKNOWLEDGMENT**

State/Commonwealth of Michigan  
County of Wayne } ss.

On this the 26 day of July, 2023, before me,  
Day Month Year

Andrew ESSHAKI, the undersigned Notary Public,  
Name of Notary Public

personally appeared Yongjun Ren  
Name(s) of Signer(s)



☐ personally known to me - OR -

☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument, and acknowledged to me that he/she/they executed the same for the purposes therein stated.

WITNESS my hand and official seal.

[Signature]  
Signature of Notary Public

Place Notary Seal/Stamp Above

Any Other Required Information  
(Printed Name of Notary, Expiration Date, etc.)

**OPTIONAL**

*This section is required for notarizations performed in Arizona but is optional in other states. Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.*

**Description of Attached Document**

Title or Type of Document: Sworn Statement of Peridot Power  
Document Date: 07/26/23 Number of Pages: 2  
Signer(s) Other Than Named Above: n/a