2023

Solar Growth Limited

Annual Report and consolidated financial statements for the year ended 31st March 2023

Contents

Directors
Andrew Webster
Christopher Carlson
Paul Beynon
Samuel Gompels

Registered office
Level 4, LDN:W
3 Noble Street
London
EC2V 7EE

Registered number
08475070

Independent auditors
Lubbock Fine Chartered Accountants
& Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Solar Growth Limited - Strategic Report

Business Review

We are pleased to present the annual report for the year ended 31st March 2023 for Solar Growth Limited ("the Group" or "the Company").

The Group delivered revenues of £6.3m (2022:£4.5m) and underlying profits of £4.4m (2022:£2.9m)*, whilst generating c. 36,000 megawatt hours ("MWh") of electricity, enough to provide renewable energy to c. 12,400 homes.** The Group delivered this through its trading activities in solar photovoltaic ("PV") generation plants which are located across the UK (see map on page 5) and have a successful track record accumulated over 7 years of operations.

The global gas supply shortage had a sustained impact on rising energy prices during the year. Power purchase agreement ("PPA") prices negotiated for the period were on average 40% higher than in FY2022 which strengthened revenue streams and drove underlying profits.

Following high inflation in the period, the Group recognised significant interest expenditure due to indexation charges on the portion of the debt linked to retail price index ("RPI"). However despite this, the Group made a profit after interest and tax for the financial year of £98k. Over half of the Group's revenue streams are RPI linked subsidies and the rest are implicitly linked to RPI through energy prices. Furthermore, solar projects have a relatively low operating cost base which results in the Group being positively impacted by higher rates of inflation – with every 1% a year increase in inflation, the Group's returns are boosted by around 0.8%. However, there is a time lag as the Group's debt is indexed in real time whereas subsidies increase later through historic inflation figures. This time lag between when the Group's debt and revenues are inflated which will reverse over time, which will benefit the Group in future years.

Clean electricity

Solar-powered energy generation represents a resilient asset class: long-term demand for electricity in the UK is relatively stable, and should grow as the UK continues to de-carbonise its economy. Solar PV technology provides a reliable and predictable supply of electricity, backed by well-understood and low-risk technology. Driven by Government policy to de-carbonise the power generation sector as part of its Net zero by 2050 emissions policy, we expect to see demand increase for 'clean' electricity. The growth in demand for such energy is expected to result in attractive power prices available to solar PV asset owners, such as Solar Growth.

Electricity markets tend to be national rather than international in nature: each country sets its own legal framework for governing the markets and incentivizes different fuel sources. Our strategy focuses solely on the UK. This complements our strong knowledge of UK markets, our UK track record, and also removes any currency risks between our income, costs and share price.

It is imperative to the Company that its trading activities are fully aligned to both Government policy on reaching net zero emissions by 2050, and to intergovernmental actions to mitigate climate change, such as the UN's Sustainable Development Goals. Not only do we believe this to be the right thing to do for society, but that it is critical for businesses to have a social mandate. Our strategy to focus on the generation of clean electricity is clearly aligned with the mitigation of climate change.

Net zero emissions target

2050

Group operating profit before depreciation & amortisation

£4.4m

* Operating Profit before deprecation and amortization.
** Based on energy used by a medium-sized house using 2,900 KWh p.a.

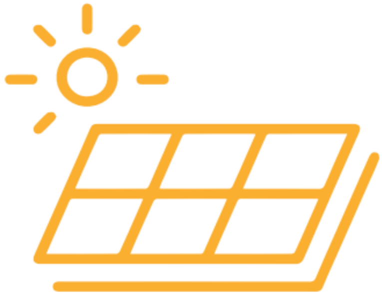
Solar Growth Limited - Strategic Report *(continued)*

This year's highlights

Five new commercial rooftop assets with a total peak production of 1.8MWh were constructed during the year and are now operational. The solar systems all have long-term energy sale agreements linked to the leases.

The Group refinanced its commercial rooftop portfolio and secured new funding with Triodos bank in December 2022. The proceeds of this loan will be used to fund the acquisition and construction of new assets.

The Group has continued to benefit from rising energy prices during the year and secured one-year fixed prices of the electricity sold for the whole portfolio until FY24 and half of the portfolio until FY25 which were on average 40% and 75% higher than the current year respectively. Growing demand for renewable energy has also pushed up the price of renewable energy guarantees of origin ("REGOs") by about 2000% since 2021 which has further positively impacted returns.

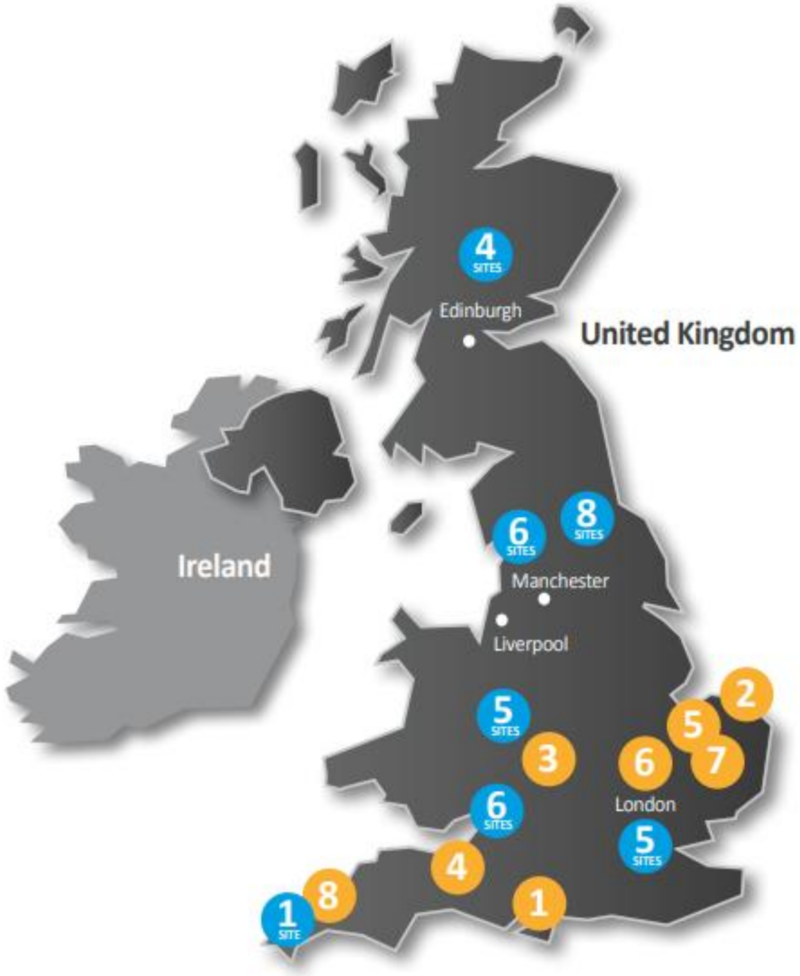


Outlook

Since the financial year end, the Group has signed a framework agreement with a development partner to develop and construct UK battery projects. In September 2023, the Group made its first investment in this sector by acquiring a majority shareholding in a 30MWp battery development based in Scotland. This project provides an exciting growth opportunity and diversification of asset type exposure.

The Group is continuing to pursue its lease extension strategy. Post financial year end, the Group has agreed revised lease terms to extend the leases by 15 years with the landlords at Langford Solar Farm and, subject to signature, Kenninghall Solar Farm. This will ensure continued long-term revenue generation at the largest sites in the portfolio (see page 5). The Group are in discussion to increase the lease terms at further ground mount locations.

Solar Growth Limited - Our Portfolio Locations



	Location	Commissioning Date	Installation Type	Annual Generation (MWh)*	Homes Powered**	kg CO^2eq***
1	Fen Road	27-Jul-14	Ground mounted	1,472	508	1,325
2	Pond Farm	03-Jul-14	Ground mounted	3,428	1,182	3,085
3	Kenninghall	31-Mar-15	Ground mounted	7,883	2,718	7,094
4	Langford	27-Mar-15	Ground mounted	13,255	4,571	11,929
5	Wroxton	31-Mar-14	Ground mounted	1,770	610	1,592
6	Briddlesford	30-Mar-14	Ground mounted	633	218	569
7	Taunton	12-Mar-15	Ground mounted	1,798	620	1,618
8	Boskennal	10-Jun-15	Ground mounted	1,052	363	947

Installation Type	Number of Installations	Capacity	Annual Generation (kWh)*	Homes Powered**	kg CO^2eq***
Commercial rooftop	35	5,985	4,256	1,468	3,869

* For the year April 2022 - March 2023. / ** Based on a Ofgem estimate (2023) that the typical UK household consumes 2,900kWh per year
***Equivalent CO2 emissions avoided, compared to a traditional coal-fired power plant

Why invest in solar assets?

Low-risk technology

Solar PV is a well-established technology based on solid state semiconductors with no moving parts. Solar PV systems are not only less susceptible to faults than other, more complex technologies, but also have consistently higher availability.

Tackling climate change

Investing in solar assets enables investors to actively contribute to tackling climate change by investing in one of the most cost-effective renewable electricity generation technologies.

Growth opportunity

Given broader Net Zero commitments made by the Government, the roll out of renewable generation capacity is expected to increase significantly over the coming decades. Over the next 10 years, the market for solar generation in the UK is set to more than double.

Greater forecast accuracy

Good availability of solar irradiance data allows for more reliable power generation predictions from solar PV systems when compared to power generation predictions from other technologies, such as wind power. As a result, any discrepancy between predicted power production and actual power production is reduced, which ultimately results in solar generation providing investors with more consistent returns.

Climate change

Enabling investors to contribute towards tackling this global issue

10years

Within this time the market for solar generation is set to double

Risk and Uncertainties

The following table outlines some of the risks facing the Group and some of the mitigants to them:

Type	Risk	Mitigation
Counterparties	PPA prices may not be honoured if counterparties become insolvent.	Credit assessments are undertaken for material counterparties and they are judged to be of strong commercial credit.
Energy Price	As a result of lower-than-expected power prices, revenues do not align to forecast projections.	All of our solar generation assets benefit from a substantial proportion of their revenues coming from Government-backed subsidies such as Feed-In Tariffs or Renewables Obligation Certificates.
Weather	Generation is lower than expected due to weather volatility.	Solar assets are capable of accurate forecasts relative to other renewable technologies, based on many decades of weather data. Furthermore, our assets benefit from geographical diversification, reducing the exposure to any unusual local weather patterns.
Political	Retrospective changes to Government-backed subsidies received on renewable energy assets.	There is no history of retrospective changes to incentives from UK Governments and Government policy is to support renewables.
Operational	Assets underperform due to technical issues or poor maintenance.	Our assets are managed on a day-to-day basis by our experienced operation and maintenance contractors ("O&M"). The O&M contractors are overseen by Armstrong Capital Management, an experienced renewables asset manager with a specialist focus on solar assets, and report quarterly to the Solar Growth Board of Directors.
Interest rate	Rises in interest rates result in higher interest payments on debt.	Most debt is linked to RPI which matches the annual increase in subsidy payments received by our assets. By linking debt repayments to income, the Group expense is substantially mitigated.
Valuation	Reduction in market value of assets.	Highly predictable and partially subsidised revenue streams, as well as a low, predominantly fixed, cost base reduces volatility Group's valuation.
Taxation	Changes in corporation taxes or energy generation windfall taxes reduce future profits	The energy generators levy does not affect the Company as the Company's annual generation is below the minimum threshold.

Directors’ Report

for the year ended 31st March 2023

The Directors present their report for the year ended 31st March 2023.

Principal activity

The principal activity of the Group is the production of solar-generated renewable energy.

Results

The Consolidated Statement of Comprehensive Income for the year is set out on page 12.

Directors

The Directors who served during the year were:

- Andrew Webster
- Christopher Carlson
- Paul Beynon
- Samuel Gompels

Directors' Responsibilities Statement

The directors are responsible for preparing the financial statements.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company, and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group’s and Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

- so far as the directors are aware there is no relevant audit information of which the Company’s and the Group’s auditor are unaware, and
- the directors have taken all steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company and the Group’s auditors are aware of that information.

Auditor

The auditor, Lubbock Fine LLP, is deemed to be reappointed under the Companies Act 2006, s. 487(2). A copy of their opinion is on page 9-11

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

C. Carlson
Director

29 September 2023

Independent Auditors' Report
to the members of Solar Growth Limited

Opinion

We have audited the financial statements of Solar Growth Limited (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity and the related notes, 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 Group's and the parent Company's affairs as at 31st March 2023 and of the Group's profit 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 requirement 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

continued

Opinion 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 Directors’ Report for the financial year for which the financial statements are prepared is consistent with the financial statements: and
- the Directors’ Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us: or
- the parent Company financial statements are not in agreement with the accounting records and returns: or
- certain disclosures of directors’ remuneration specified by law are not made: or
- we have not received all the information and explanations we require for our audit: or
- the directors were not entitles to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies’ exemptions in preparing the Directors’’ Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of Directors
As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are 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 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have 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 an Auditors' 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 (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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- Enquires of management, including obtaining and reviewing supporting documentation, concerning the Group’s policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and FRS 102.
continued

Independent Auditors' Report *(continued)*
to the members of Solar Growth Limited

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These include general data protection regulations, health and safety regulations and environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition and management override.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing the completeness and accuracy of the revenue recognised through reviewing the inputs of income trackers to verifiable tariffs, reviewing afterdate records to ensure revenue is materially complete and agreeing revenue accrued at the year end to bank receipts;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the Group's operations;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditors' Report.

Other matters

We draw attention to the fact that these financial statements have not been prepared under section 394 of the Companies Act 2006 and are not the Company's Statutory Group Financial Statements.

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 whose matters we are required to state to them in an Auditor's' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinion we have formed.

Sam Snelson

Sam Snelson (Senior Statutory Auditor)
For an on behalf of
Lubbock Fine LLP
Chartered Accountants &
Statutory Auditors Paternoster House
65 St Paul's Churchyard London
EC4M 8AB

29 September 2023

Consolidated Statement of Comprehensive Income

for the year ended 31st March 2023

	Note	31 March 2023 £'000	31 March 2022 £'000
Turnover		6,285	4,476
Cost of sales		(1,613)	(1,368)
Gross profit		4,672	3,108
Administrative expenses		(248)	(231)
Operating profit before depreciation and amortisation		4,424	2,877
Depreciation and amortisation		(1,803)	(1,747)
Operating profit		2,621	1,130
Interest receivable and similar income		204	145
Interest payable and expenses		(2,786)	(1,627)
Profit / (loss) before taxation		39	(352)
Tax on profit/(loss)		59	(605)
Profit/(Loss) for the financial year		98	(957)
Profit/(loss) for the year attributable to:			
Non-controlling interests		(38)	(186)
Owners of the parent Company		136	(771)
		98	(957)

There was no other comprehensive income for 2023 (2022:£nil).
The notes on pages 15 to 23 form part of these financial statements.

Consolidated Balance Sheet

as at 31st March 2023

	Note		31 March 2023 £'000		31 March 2022 £'000
Fixed assets					
Intangible assets	4		6,398		6,692
Tangible assets	5		26,746		27,730
			33,144		34,422
Current assets					
Stock		17		17	
Debtors: amounts falling due after more than one year	6	416		1,747	
Debtors: amounts falling due within one year	6	3,680		2,210	
Cash at bank and in hand	7	7,231		4,125	
		11,344		8,099	
Creditors: amounts falling due within one year	8	(3,026)		(2,656)	
Net current assets			8,318		5,443
Total assets less current liabilities			41,462		39,865
Creditors: amounts falling due after more than one year	9		(21,987)		(20,855)
Provisions for liabilities					
Deferred tax		(1,973)		(2,031)	
Other provisions	10	(172)		(161)	
			(2,145)		(2,192)
Net assets			17,330		16,818
Capital and reserves					
Called up share capital			7,944		7,100
Share premium account			5,282		3,561
Profit and loss account			4,104		4,196
Equity attributable to owners of the parent Group			17,330		14,857
Non-controlling interest			-		1,961
			17,330		16,818

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 financial statements were approved and authorised for issue by the board and were signed on its behalf by C Carlson, Director, on 29 September 2023. The notes on pages 15 to 23 form part of these financial statements.

Christopher Carlson
Director
Company number: 08475070

Consolidated Statement of Changes in Equity

for the year ended 31st March 2023

	Called up share capital	Share premium account	Profit and loss account	Equity to owners of parent company	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000
At 1st April 2021	7,100	3,474	5,074	15,648	2,497	18,145
Comprehensive income for the year						
Loss for the year	-	-	(771)	(771)	(186)	(957)
Equity movement	-	-	-	-	(350)	(350)
Dividends: Equity capital	-	-	(107)	(107)	-	(107)
Shares issued during the year	-	87	-	87	-	87
At 1st April 2022	**7,100**	**3,561**	**4,196**	**14,857**	**1,961**	**16,818**
Comprehensive income for the year						
Profit/(loss) for the year	-	-	136	136	(38)	98
Elimination of non-controlling interest In a share-for-share exchange (note 12)	735	1,322	(134)	1,923	(1,923)	0
Dividends: Equity capital	-	-	(50)	(50)	-	(50)
Shares issued during the year	109	399	-	508	-	508
Share redeemed during the year	-	-	(44)	(44)	-	(44)
At 31st March 2023	7,944	5,282	4,104	17,330	-	17,330

The notes on pages 15 to 23 form part of these financial statements.

Notes to the Consolidated Financial Statement
for the year ended 31st March 2023

1. General information

Solar Growth Limited is a private company limited by shares incorporated in England and Wales, registered number 08475070. Its registered office and principal place of business is Level 4, LDN: W, 3 Noble Street, London, EC2V 7EE. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

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 applicable law.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The Group meets its day to day working capital requirements through the financial support of its lenders. The directors believe that it is appropriate to prepare the financial statements on a going concern basis which assumes that the Company will continue in operational existence with the continued support of its lenders.

If the Group is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that might arise and reclassify fixed assets as current assets.

2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in respect of power exported to the grid and associated tariffs, provided in the normal course of business, net of discounts and VAT.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 Finance costs

Finance costs are charged to profit or loss 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate income.

2.7 Current and deferred taxation (continued)

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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values 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.

2.8 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Other intangible fixed assets - The period until the end of the leases which varies between 2035 and 2054

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.9 Tangible fixed assets

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.

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.

Depreciation is provided on the following basis:

Plant and machinery - The period until the end of the lease which varies between 2035 and 2054

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 disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Debtors

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

2.11 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 are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

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

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.14 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Consolidated 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 a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the Consolidated Financial Statement *(continued)*

for the year ended 31st March 2023

3. Employees

The average monthly number of employees during the year was nil (2022: nil).

4. Intangible assets

	Other intangibles £000
Cost	
At 1st April 2022	7,362
Disposals	(35)
At 31st March 2023	7,327
Amortisation	
At 1st April 2022	670
Charge for the year on owned assets	259
At 31st March 2023	929
Net book value	
At 31st March 2023	6,398
At 31st March 2022	6,692

Notes to the Consolidated Financial Statement *(continued)*

for the year ended 31st March 2023

5. Tangible fixed assets

	Plant and machinery £000
Cost or valuation	
At 1st April 2022	35,176
Additions	629
Disposals	(70)
At 31st March 2023	35,735
Depreciation	
At 1st April 2022	7,446
Charge for the year on owned assets	1,543
At 31st March 2023	8,989
Net book value	
At 31st March 2023	26,746
At 31st March 2022	27,730

Notes to the Consolidated Financial Statement *(continued)*

for the year ended 31st March 2023

6. Debtors

	2023 £000	2022 £000
Due after more than one year		
Other debtors	416	1,747
Due within one year		
Trade debtors	96	107
Other debtors	2,767	1,389
Prepayments and accrued income	816	713
	3,679	2,210

7. Cash and cash equivalents

	2023 £000	2022 £000
Cash at bank and in hand	7,231	4,125

Notes to the Consolidated Financial Statement *(continued)*

for the year ended 31st March 2023

8. Creditors: Amounts falling due within one year

	2023 £000	2022 £000
Trade creditors	167	168
Other creditors	100	59
Accruals and deferred income	254	534
Loans and overdrafts	2,505	1,895
	3,026	2,656

The following liabilities were secured:

	2023 £000	2022 £000
Bank loans	2,505	1,895

Details of security provided:
The loan notes are secured by way of fixed and floating charges covering all of the property of the Group and contain a negative pledge. Certain loans are secured on the shares of the parent Company.

Notes to the Consolidated Financial Statement *(continued)*

for the year ended 31st March 2023

9. Creditors: Amounts falling due after more than one year

	2023 £000	2022 £000
Other loans	21,987	20,855

The following liabilities were secured:

	2023 £000	2022 £000
Other loans	21.987	20,855

Details of security provided:

The loan notes are secured by way of fixed and floating charges covering certain properties of the Group and contain a negative pledge.

Certain loans are secured on the shares of the parent Company.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2023 £000	2022 £000
Repayable by instalments	13,903	14,440

The loan notes are secured by way of fixed and floating charges covering certain properties of the Group and contain a negative pledge.

10. Provisions

	Decommissioning provision £000
At 1st April 2022	161
Charged to profit or loss	11
At 31st March 2023	172

11. Commitments

The total amount of financial commitments, guarantees and contingencies not included in the balance sheet at 31st March 2023 was £3,544,000 (2022 - £3,552,000).

12. Share capital

Authorised, allotted, called up and fully paid share capital

	2023 £000	2022 £000
7,942,630 (2022: 7,099,902) Ordinary A shares of £1 each	7,943	7,100
96,910 (2022:37,425) B redeemable Ordinary shares of £0.01 each	1	-
	7,944	7,100

On 26th May 2022, 17,224 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.51 per share.

On 6th September 2022, 7,672 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.70 per share.

On 4th November 2022, 8,844 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.77 per share.

On 25th November 2022, 24,213 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.77 per share.

On 15th January 2023, 5,415 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.77 per share.

On 10th February 2023, 15,822 B Redeemable Ordinary shares of nominal value £0.01 each were redeemed at a premium of £2.77 per share.

On 23rd February 2023, 11,939 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.77 per share.

During the financial year, the Group offered a rights issue to existing shareholders. In total, 108,205 A Ordinary shares of nominal value of £1 each per issued at a premium of £2.92.

During the financial year, shareholders in Solar Dividend Ltd transferred their shareholding to Solar Growth Ltd. As such, as at 31st March 2023 Solar Growth Ltd own 100% of Solar Dividend Ltd (2022: 60.88%). In total 734,520 A Ordinary shares of nominal value of £1 each were issued at a premium of £2.80.

13. Related party transactions

Solar Growth Limited now holds 100% (2022: 60.88%, see note 12) of the share capital of Solar Dividend Limited.

14. Controlling party

The Company is owned by a number of individual shareholders. There is no overall controlling party.

15. Post balance sheet events

Since the year end, the Group has acquired a majority shareholding in a 30 MWp battery development based in Scotland. This project is under development and provides an exciting opportunity and diversification of asset type.

Furthermore, since the year end the Group has extended its leases at Langford and Kenninghall solar farms by an additional 15 years each, from 25 to 40 years. This will ensure continued long-term revenue generation at the largest sites in the portfolio.

Post year end, the Group is to undertake reinforcement works at the Pond Farm and Wroxton solar farms. This is expected to increase the operational efficiency of the assets and reduce future maintenance expenditure. The works are expected to take 6 months to complete and only 1-2 combiner boxes will be switched off at a time to reduce the impact on generation, plus it will take place over the winter.

2023

Solar Growth Limited

Company only annual report and financial statements for the year ended 31st March 2023

Company Balance Sheet

as at 31st March 2023

	Note		31 March 2023 £'000		31 March 2022 £'000
Fixed assets					
Investments	4		5,355		3,298
			5,355		3,298
Current assets					
Debtors	5	8,877		10,981	
Cash at bank and in hand		3,830		1,214	
		12,706		12,195	
Creditors: amounts falling due within one year	6	(359)		(161)	
Net current assets			12,347		12,034
Total assets less current liabilities			17,702		
Provisions for liabilities					
Other provisions	7	(59)		(51)	
Net assets			17,643		15,281
Capital and reserves					
Called up share capital			7,944		7,100
Share premium account			5,282		3,561
Profit and loss account			4,418		4,620
Total capital and reserves			17,643		15,281

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 financial statements were approved and authorised for issue by the board and were signed on its behalf by C Carlson, Director, on 29 September 2023. The notes on pages 26 to 29 form part of these financial statements.

Under section s408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss statement.

Christopher Carlson
Director
Company number: 08475070

Notes to the Financial Statements

for the year ended 31st March 2023

1. General information

Solar Growth Limited, ("the Company"), is a private company limited by shares incorporated in England and Wales. The registered office is Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE.

2. Significant accounting policies

The following accounting policies and measurement bases are set out below and have been applied consistently in dealing with items which are considered material in relation to the financial statements unless otherwise stated.

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Company. Amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Consolidation

These financial statements represent the results and financial position of the parent company and do not consolidate the results and balance sheets of the Company's subsidiary undertakings.

2.3 Going Concern

The Company meets its day to day working capital requirements through the financial supports of its lenders. The directors believe that it is appropriate to prepare the financial statements on a Company going concern basis which assumes that the Company will continue in operational existence with the continued support of its lenders.

If the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that might arise and reclassify fixed assets as current assets.

2.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.5 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with 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 asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

2.6 Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2.8 Depreciation

Depreciation is calculated on a basis to write off each of the assets over their useful life.

3. Average number of employees

The average number of persons employed by the Company during the period was 0 (2022: 0).

4. Fixed asset investments

	Investments in subsidiary undertakings £'000
Gross carrying value	
At 1st April 2022	3,298
Addition	2,057
At 31st March 2023	5,355

Notes to the Financial Statements (continued)

for the year ended 31st March 2023

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	2023 Holding	2022 Holding
Solar Dividend Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	60.88%
Kenninghall Solar Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	60.88%
SG Holdco Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
UK PV Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Langford Solar Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
PB Growth Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
PFB Solar Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Eden New Developments Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Solar Growth Development Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Malham Farm Energy Centre Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	55%	55%
SGL Trading Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Eden 5 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Renewables Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Eden 4 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Eden Acquisitions Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Rooftops 1 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Rooftops 2 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Rooftops 3 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Boskennal Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%

5. Debtors

	2023 £'000	2022 £'000
Intercompany receivable	8,284	10,686
Trade debtors	4	3
Other debtors	309	36
Prepayments and accrued income	15	7
Deferred tax	265	249
	8,877	10,981

6 Creditors: amounts falling due within one year

	2023 £'000	2022 £'000
Trade creditors	13	8
Other creditors	2	3
Accruals and deferred income	53	150
Intercompany payables	291	-
	359	161

Notes to the Financial Statements (continued)

for the year ended 31st March 2023

7. Provisions

	Other provisions £'000
At 1st April 2022	51
Charged to profit or loss	8
At 31st March 2023	59