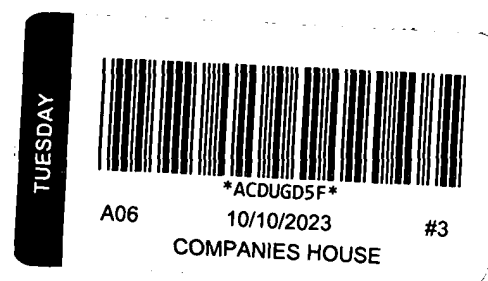


Solar Century Holdings Limited
Company Number 03570325

Annual Report - 31 March 2022



Solar Century Holdings Limited
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For the year ended 31 March 2022

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Solar Century Holdings Limited
Corporate directory
For the year ended 31 March 2022

Directors	David Flood Eivind Torblaa Birgitte Vartdal Emma Voss
Company Secretary	Joanne Munis
Registered number	03570325
Registered office	19th Floor, 22 Bishopsgate, London, England, EC2N 4BQ
Auditor	Deloitte LLP, Statutory Auditor, London, United Kingdom
Bankers	DanskeBank, ICB London, 75 King William Street, London, EC4N 7DT

Solar Century Holdings Limited
Strategic report
For the year ended 31 March 2022

The directors present their strategic report for the financial year ended 31 March 2022.

Principal activities

The principal activities of Solar Century Holdings Limited (the "Company") are the design, development, supply, installation, maintenance and ownership of Solar energy products and systems.

Strategy

The Company's strategy has been and continues to be to grow its development pipeline in Europe and Latin America, both in existing and new markets.

In November 2020, the Company was wholly acquired by Statkraft European Wind and Solar Holding AS ("Statkraft"). The company continues to follow the same strategy but within the context of its new ownership, including changes in geographical focus with the exit or planned exit of certain markets, and a change in financing strategy for the future pipeline of solar development projects.

Review of business

The Company's KPIs are profit for the financial year, revenue and net assets.

The profit for the financial year, after taxation, is £50,818,000 compared a loss after taxation of £4,451,000 in 2021. The increase in profit is primarily driven from the profits on disposal of investments amounting to £25,251k

Revenue for the period has decreased from £142,308k in 2021 compared to £128,636k in 2022 which represents a drop of 9.6% mainly driven by reduced revenues received from intercompany services and reduced EPC with nil margin. The reduction in costs from £111,803k in 2021 compared to £75,885k in 2022 has ensured that gross margin has seen an increase of 72.9%.

The company is in a net asset position £150,818k (2021: £102,742k) and continues to meet day-to-day liquidity needs through its cash resources. The directors have reviewed cash flow forecasts and projections which cover a period of at least 12 months from the date of the approval of the financial statements, which show that the Company has sufficient financial resources to continue in operation for at least the next 12 months from the date of approval of this financial statement.

Future outlook

The primary purpose of the company going forward will be a holding company for subsidiaries and joint ventures. The company will continue to develop, construct, operate and maintain solar assets through subsidiaries and joint ventures, as well as providing management services to these entities.

Corporate social responsibility

The Company strives to achieve an open and constructive dialogue with all stakeholders and is working to develop the Company in a manner which increases the value for the ultimate parent and the local communities in which the Company operates through its subsidiaries and joint ventures.

The Company takes the health & safety of all of its stakeholders very seriously and has in place well defined policies for monitoring and mitigating safety risks. During the year, there were no serious injuries or fatalities involving employees of the Company.

Section 172 statement

In accordance with section 172(1) of the Companies Act 2006, the Directors recognise their duty to act in good faith and in a way that would most likely promote the success of the company for the benefit of its members as a whole. In doing so, the Directors consider that all their decisions are taken with the long-term in mind and with a regard (amongst other matters) to various other stakeholder interests including the key factors set out below:

- The likely consequences of any decision in the long term,

The Company's long-term plan is to continue successfully developing, constructing, operating and maintaining electricity generation assets and grid-stabilising assets through its subsidiaries and joint ventures. These assets will continue to comply with all required regulation, including Statkraft's health and safety guidance and in accordance with planning permissions. The Directors review the long-term plan on an ongoing basis and to date no decision has been made to change the long-term plan.

- To maintain and review high HSE standards.

A safe and healthy work environment is a precondition to Statkraft operations and the Statkraft Group works tirelessly to improve and expand internal and external initiatives. All operations are committed to preventing incidents and promoting a workplace without injury or harm to employees, business partners and local stakeholders. Full details on HSE within the Statkraft Group can be found at: <https://www.statkraft.com/sustainability/our-commitments/health-and-safety>

- The need to foster the company's business relationships with suppliers, customers and others,

The Company fosters relationships through the selection of a reliable service providers, which are regulated by formal contract and lease agreements. Ultimately, this ensures uninterrupted UK operations.

We engage with the government and regulators through a range of industry consultations, forums, meetings and conferences to communicate our views to policy makers relevant to our business. Key areas of focus are compliance with laws and regulations, health and safety and the environment.

- The impact of the company's operations on the community and the environment,

The community and the environment are two key considerations to operations. With regards to the community, the Company provides benefit through Community Benefit Funds through the subsidiary and joint venture operations.

With regards to the environment, the Company is committed to managing the impacts on the environment caused by UK subsidiary and joint venture operation through habitat management plans. Operations engage with environmental consultants and have regular meetings with government agencies to discuss the environment impact of its sites.

The Company takes into consideration the group values, strategy, ambition, sustainability and HSSE of the Statkraft Group. In carrying out their duties, the Directors have in mind the governing principles of the Statkraft Group in its decision making, and day-to-day and long term management of the company.

The strategic matters of the company which require a decision by the Directors are presented at Board meetings or other formal communication. Directors are provided with the necessary background information to support any proposal, together with associated costs, benefits, risks and potential impact on its strategic direction, stakeholders, the community and environment. These factors are taken into account before reaching a final decision which they believe to be in the best interest of the Company and its members.

Principal risks and uncertainties

The management of risks is based on a balance of risk and reward determined through careful assessment of both the potential likelihood and impact:

- The Company faces a risk of reputational damage to itself and its ultimate parent, Statkraft SF. The Company ensures that all its investments operate in a manner appropriate to the values of the ultimate parent company.

- There is a risk that projects do not reach planning consent or do not achieve the required returns. The company makes investments, during the development, through the stage gate decision model which minimises development costs in line with Statkraft's risk management policies.

Solar Century Holdings Limited
Strategic report (continued)
For the year ended 31 March 2022

Principal risks and uncertainties (continued)

- There is a risk that Solar Century Holdings Limited cannot complete projects to plan, leading to costs exceeding plan and reducing return on investments. The Company, through its various subsidiaries, monitors all projects closely to ensure that they are delivered according to plan.
- The transition to a low-carbon economy will entail extensive policy, legal, technology, and market changes, with the potential to have a significant impact on the Company's subsidiary and joint venture companies. Even considering that the Company's portfolio and strategy are well adapted to a low-carbon future, the company still has significant exposure to various climate-driven transition risks.

Operational and other risks

Russian invasion of Ukraine

Russia invaded Ukraine on 24th February 2022. The invasion has brought increased geopolitical risks to the global energy markets. The Company's liquidity risk as well as the counterparty risk has been reviewed in light of the new situation. The company has ensured that no operations are in breach with the relevant sanctions set out by the EU or other authorities.

The Company does not have operations nor employees in Russia or Ukraine and has not been impacted by the Russian invasion of Ukraine.

Management will continue to monitor the situation and adapt to market conditions going forward.

The directors, in preparing this report, have complied with s414C of the Companies Act 2006.

Approved by the Board of directors and signed on behalf of the Board.



David Flood
Director

Date: 6/10/2023
London

Solar Century Holdings Limited
Directors' report
For the year ended 31 March 2022

The directors present their report and the audited financial statements of the Company for the financial year ended 31 March 2022.

Company information

Solar Century Holdings Limited is a limited Company incorporated and domiciled in England & Wales (Registered Number: 03570325). The registered office is located at 19th floor, 22 Bishopsgate, London, England. The company also operates a branch in Spain with a registered office located at Calle Pintor Sorolla 3, Floors 10 & 11, 46002-Valencia, Spain.

The immediate parent undertaking of Solar Century Holdings Limited is Statkraft European Wind and Solar AS, a company incorporated in Norway and registered address Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway. The largest group to consolidate these financial statements is Statkraft SF, a company incorporated in Norway and registered address Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway.

The immediate parent undertaking of Solar Century Holdings Limited is Statkraft European Wind and Solar AS, a company incorporated in Norway. Statkraft European Wind and Solar AS is owned by Statkraft AS, a company incorporated in Norway, which is the smallest group consolidating these financial statements. The largest group to consolidate these financial statements is Statkraft SF, a company incorporated in Norway.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the financial statements of Statkraft AS, a Company registered in the Norway. Statkraft SF owns Statkraft AS and is the ultimate controlling party and parent of Solar Century Holdings Limited. Both of the group financial statements can be obtained from their registered offices which are at Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway or www.statkraft.com.

Results and dividends

Revenue for the period has decreased from £142,308k in 2021 compared to £128,636k in 2022 which represents a drop of 9.6% mainly driven by reduced revenues received from intercompany services and reduced EPC with nil margin. The reduction in costs from £111,803k in 2021 compared to £75,885k in 2022 has ensured that gross margin has seen an increase of 72.9%.

There were no dividends paid, recommended or declared during the current or previous financial year.

Directors

The directors of the Company who held office during the financial year and up to the date of signing these financial statements were:

David Flood	(appointed on 11 May 2021)
Eivind Torblaa	(appointed on 10 November 2021)
Birgitte Vartdal	
Emma Voss	(appointed on 11 May 2021)
Erlend Broli	(appointed on 27 November 2020, resigned on 11 May 2021)
Thomas Geiran	(appointed on 27 November 2020, resigned on 11 May 2021)
Stefan-Jörg Gobel	(appointed on 27 November 2020, resigned on 11 May 2021)
Marit Grimsbo	(appointed on 27 November 2020, resigned on 11 May 2021)
Frans Van Den Heuvel	(resigned on 4 May 2021)

Solar Century Holdings Limited
Directors' report (continued)
For the year ended 31 March 2022

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the financial year and remain in force at the date of this report.

Charitable and political

A charitable donation of £500,000 (2021: £1,000,000) has been accrued to be paid to SolarAid at the end of the current year. There have been no political contributions within the current year or prior year.

Financial Risk Management

The Company's activities expose it to a variety of financial risks, such as foreign exchange, credit, capital, liquidity and interest rate.

(a) Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Norwegian Kroner and Euros. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities in foreign currencies. The Company does not use any other instruments to manage its foreign currency risk.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Company is potentially exposed to credit risk through its debtors due. The profile of these balances is principally with other group companies, which the Directors believe limits the risk of non-payment. The maximum exposure to credit risk at the reporting date is equal to the carrying amount disclosed in Note 18.

(c) Capital risk

Due to the income and revenues received from the Company's subsidiaries, joint ventures and other group companies, the Company is expected to remain cash-generative for the foreseeable future.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through optimisation of its debt to equity balance. The capital structure of the Company consists of cash and equity attributable to the shareholders of the Company; comprising issued capital and retained earnings disclosed in the Statement of Changes in Equity.

d) Liquidity risk

Liquidity risk is the risk that the Company are unable to meet their payment obligations when due, or are unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments.

While the minimum internal liquidity threshold is adjusted from time to time in response to changes in market conditions, this minimum internal liquidity target may be breached due to circumstances outside the Company's control, such as general market disruptions, sharp movements in commodity prices or an operational problem that affects suppliers, customers or the Company itself.

A lack of liquidity may mean that the Company will not have funds available to maintain or increase marketing and industrial activities, both of which employ substantial amounts of capital. If the Company does not have funds available to sustain or develop its marketing and industrial activities then these activities will decrease.

However, liquidity risk for the Company is substantially reduced given the fact that funding is sourced from its parent entity, Statkraft AS, who are in a very strong cash position and are thus able to provide further funding for the entity if and when required.

Streamlined Energy and Carbon Reporting

Electricity and gas consumption are below 40,000 kWh annually, therefore the Company qualifies as a low energy user and is exempt from reporting under the 2018 Regulations.

Going concern

The Directors have considered the use of the going concern basis in the preparation of the financial statements in light of resources available to the Company and current market conditions and concluded that it is appropriate.

The Company is in a net asset position. Considering all relevant factors, including review of the Company's cash flow and relationship with its shareholder which cover a period of at least 12 months from date of approval of these financial statements, the Directors have reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 2 to the financial statements while further details of the future outlook of the Company can be found in the Strategic Report.

Solar Century Holdings Limited
Directors' report (continued)
For the year ended 31 March 2022

Events after the reporting period

On 20 December 2022 all the assets of the Spanish branch was transferred to Stadkraft Development Spain S.L.U. This was completed as a non-monetary contribution in the form of shares allocated to the company.

On 6 January 2023 a set off agreement was entered into between Solar Century Holdings Ltd and Solar Century Chile SPA in relation to outstanding balances due to each parties the amount due to Solar Century Chile SPA at the balance sheet date amounts to £3,830,000.

On 8th March 2023 Solar Century Holdings Limited signed a deed of variation under the O&M framework agreement and subsequent call off contract of 2011 to exclude the Phoenix Leisure Centre as it is no longer owned by the contract owner Cornwall Council.

On 5th May 2023 Solar Century Holdings Limited reached a settlement agreement with Sputnik Engineering UK Limited for full and final settlement of solar inverter equipment amounting to £31k

On 16th May 2023 Solar Century Holdings reached a settlement agreement with Core Newton Downs Limited (formally Good Energy Development (No 23) Limited for the contract covering engineering, procurement, construction and maintenance of ground-mounted, grid-connected photovoltaic power systems at Newton Downs Farm amounting to £468,000.

Disclosure of information to the auditors

- Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
 - the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006. Auditor The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board of Directors and signed on its behalf by:


David Flood
Director
Date 06/10/2023

Solar Century Holdings Limited
Directors' responsibilities statement
For the year ended 31 March 2022

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 company and of the profit and loss of the company for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclosure with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Solar Century Holdings Limited

Independent auditor's report to the members of Solar Century Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Solar Century Holdings Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of profit or loss and other comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1-31.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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 Financial Reporting Council's (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

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 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 auditor's 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.

Solar Century Holdings Limited

Independent auditor's report to the members of Solar Century Holdings Limited (continued)

Other information (continued)

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the area of revenue recognition, in particular the accuracy of revenue recorded and whether accrued and deferred revenue had been correctly recorded. To address this risk, we traced a sample of revenue transactions to bank statement and invoice. We also ensured that revenue had been correctly accrued or deferred at the balance sheet date, including checking whether the final costs to complete for projects subsequent to the balance sheet date were in line with the costs to complete and revenue recorded within these financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Solar Century Holdings Limited

Independent auditor's report to the members of Solar Century Holdings Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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 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 opinions we have formed.

D. Winstone

Daryl Winstone FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, UK

~~September 2023~~

6 October 2023

Solar Century Holdings Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Revenue	4	128,636	142,308
Cost of sales		(75,885)	(111,803)
Gross profit		<u>52,751</u>	<u>30,505</u>
Expenses			
Depreciation and amortisation expense	5	(568)	(854)
Administrative expenses	6/7/8	(19,556)	(32,565)
Operating profit/(loss)		<u>32,627</u>	<u>(2,914)</u>
Finance income	9	543	313
Finance costs	10	(631)	(642)
Profit/(loss) on disposal of investments		<u>23,648</u>	<u>(351)</u>
Profit/(loss) before income tax expense		<u>56,187</u>	<u>(3,594)</u>
Income tax expense	11	(5,372)	(857)
Profit/(loss) for the year		<u>50,815</u>	<u>(4,451)</u>
Other Comprehensive income/(loss)			
Items of other comprehensive which could subsequently be reclassified to profit and loss			
Translation to presentation currency		(2,740)	(694)
Total comprehensive income for the year		<u>48,076</u>	<u>(5,145)</u>

All amounts are derived from continuing operations.

Solar Century Holdings Limited
Statement of financial position
As at 31 March 2022

	Note	2022 £'000	2021 £'000
Non-current assets			
Tangible fixed assets	14	162	194
Intangible assets	13	49	50
Investments in subsidiaries	16	48,964	221
Long term receivables	19	49	5,465
Right of use assets	15	49	459
Deferred tax asset	12	-	518
		<u>49,273</u>	<u>6,907</u>
Current assets			
Inventories and development costs	17	2,151	1,233
Trade and other receivables	18	33,136	50,104
Cash and cash equivalents	20	91,995	77,831
		<u>127,282</u>	<u>129,168</u>
Current Liabilities			
Trade and other payables	21	18,956	31,961
Lease liabilities	24	43	530
Provisions	23	364	57
		<u>19,362</u>	<u>32,548</u>
Net current assets		<u>107,920</u>	<u>96,620</u>
Total assets less current liabilities		<u>157,193</u>	<u>103,527</u>
Non-current liabilities			
Long term loan	26	3,926	-
Non-current provisions	25	2,449	785
		<u>6,375</u>	<u>785</u>
Net assets		<u>150,818</u>	<u>102,742</u>
Equity			
Share premium	28	29,077	29,077
Share capital	27	60,037	60,037
Foreign currency translation reserve		(3,434)	(694)
Retained earnings	29	65,137	14,322
Total equity		<u>150,818</u>	<u>102,742</u>

Solar Century Holdings Limited's registered number is 03570325. The financial statements on pages 17 to 35 were approved and authorised for issue by the Board of directors and were signed on its behalf by:


David Flood
Director

Date 06/10/2023

Solar Century Holdings Limited
Statement of changes in equity
For the year ended 31 March 2022

	Share capital	Share premium	Own shares	Foreign currency translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2020	37	29,077	(955)	-	14,493	42,652
Translation to presentation currency	-	-	-	(694)	-	(694)
Profit after income tax for the year	-	-	-	-	(4,451)	(4,451)
Total comprehensive income for the year	-	-	-	(694)	(4,451)	(5,145)
Shares issued	60,000	-	-	-	-	60,000
Own shares	-	-	955	-	-	955
Share-based payments (note 32)	-	-	-	-	4,280	4,280
At 31 March 2021	60,037	29,077	-	(694)	14,322	102,742

	Share capital	Share premium	Own shares	Foreign currency translation reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2021	60,037	29,077	-	(694)	14,322	102,742
Translation to presentation currency	-	-	-	(2,740)	-	(2,740)
Profit after income tax for the year	-	-	-	-	50,815	50,815
Total comprehensive income for the year	-	-	-	(2,740)	50,815	48,075
At 31 March 2022	60,037	29,077	-	(3,434)	65,137	150,818

Solar Century Holdings Limited
Notes to the financial statements
For the year ended 31 March 2022

1. Corporate information

Solar Century Holdings Limited is a limited Company incorporated and domiciled in England & Wales (Registered Number: 03570325). The registered office is located at 19th floor, 22 Bishopsgate, London, England. The nature of the Company's operations and its principal activities are set out in the Strategic report on page 3.

The principal activity of Solar Century Holdings Limited (the "Company") is to develop, construct, operate and maintain electricity generation assets through its subsidiaries and joint ventures. The Company also provides management services to these entities.

The immediate parent undertaking of Solar Century Holdings Limited is Statkraft European Wind and Solar AS, a company incorporated in Norway. Statkraft European Wind and Solar AS is owned by Statkraft AS, a company incorporated in Norway, which is the smallest group consolidating these financial statements. The largest group to consolidate these financial statements is Statkraft SF, a company incorporated in Norway.

Statkraft SF owns Statkraft AS and is the ultimate controlling party of Solar Century Holdings Limited.

The financial statements contain information about the Company as an individual Company and do not contain consolidated financial information as parent of a group.

The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the financial statements of Statkraft AS, a Company registered in the Norway. Statkraft SF owns Statkraft AS and is the ultimate controlling party and parent of Solar Century Holdings Limited. Both of the group financial statements can be obtained from their registered offices which are at Lilleakerveien 6, Postboks 200, Lilleaker 0216, Oslo, Norway or www.statkraft.com.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of Solar Century Holdings Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 as applicable to companies using FRS 101. The prior year comparative numbers for the Company were prepared under FRS 101.

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council as the results of the Company are consolidated into the financial statements of Statkraft AS which are publicly available, in the year ended 31 March 2022.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of UK adopted International accounting Standards ("Adopted IFRSs"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

These financial statements are prepared on a going concern basis, under the historical cost convention except derivatives and share based payments measured at fair value, and in accordance with the Companies Act 2006 and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91-99 of IFRS 13, 'Fair Value Measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1, 'Presentation of Financial Statements' - comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16, 'Property, plant and equipment';
 - paragraph 118(e) of IAS 38, 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period); and
 - paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The following paragraphs of IAS 1, 'Presentation of Financial Statements':
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 111 (statement of cash flows information); and
 - 134-136 (capital management disclosures).
- IAS 7, 'Statement of Cash Flows';
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- The requirements of paragraph 52 of IFRS 16 Leases; and
- The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.

2.2 Going concern

The Company's business activities, together with the factors likely to affect its future development and performance set out in the Strategic Report and the Directors Report. The financial position of the Company is disclosed on page 14.

The Company is in a net asset position of £152,277k (2021: £102,742k). Considering all relevant factors, including review of the Company's cash flow and relationship with its shareholder which cover a period of at least 12 months from date of approval of these financial statements, the Directors have reasonable expectation that the Company will have access to adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The directors have therefore concluded that the use of the going concern assumption remains appropriate.

2.3 Foreign currency translation

The financial statements are presented in Pound sterling. The Company's functional currency is sterling. The Company has a branch whose functional currency is Euro. Movement between the functional currency and reporting currency are presented as other comprehensive income within the accounts.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of profit or loss. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated at foreign exchange rates ruling at the dates the fair value was determined.

Foreign operations

The Company operates a foreign branch where the assets and liabilities of the branch are denominated in Euros and are translated at foreign exchange rates ruling at the balance sheet date. Revenues and expenses of foreign operations are translated at average foreign exchange rates for the period.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Revenue from contracts with customers

Revenue from contracts with customers that meets the correct criteria is recognised in line with IFRS 15. Development income is generally not recognised in line with IFRS 15, depending on the terms of the contract (see below).

The standard provides a single standard for revenue recognition. The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

2.4 Revenue recognition (continued)

The Company follows a five step approach when a new contract is entered into: identify the contract and performance obligations within, determine the transaction price, allocate the transaction price to the separate performance obligations and recognition of revenue when each performance obligation is satisfied.

The majority of the Company's contracts meet the criteria laid out in IFRS 15 to be recognised over time using either the input (cost incurred) or output (progress of the contract) method. For these contracts, revenue is calculated by comparing the costs incurred to the total expected cost of fulfilling the contract.

On an ongoing basis, all large contracts as well as those that deviate from the normal contractual arrangements entered into by the Company are reviewed and an IFRS 15 assessment is carried out.

The revenue figure for the year includes the full balance of deferred revenue recognised in the prior year statement of financial position.

Revenue from contracts with customers (continued)

Accrued and deferred revenue arise from differences between the satisfaction of performance obligations and the payment milestones included within the contracts with customers.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Development Income

Development income consists of the sale of completed development projects. The sale of these projects will normally consist of a Share Purchase Agreement (SPA) for the sale of the Special Purpose Vehicle, as well as a Development Services Agreement (DSA).

In line with IFRIC guidance, the Company accounts for these sales which combine a DSA and SPA under IFRS 10, by measuring the consideration received within non-IFRS 15 revenue. The net assets disposed are accounted for as cost of sales and the revaluation gain or loss of the remaining holding (if any) as non-IFRS 15 revenue given the development and subsequent disposal of projects is one of the key activities of the Company.

If, subsequently, an Engineering, Procurement and Construction contract (EPC) is entered into, the accounting for this stage of this transaction will follow the accounting set out in IFRS 15 (see above).

Development income received which does not combine an SPA and DSA will be recognised under IFRS 15. This will either be recognised at a point in time or over time, depending on the underlying contractual agreement.

Costs are accrued for using historical average costs until such point as the sub-contractors have invoiced the Company.

Finance income

Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

2.5 Borrowing and finance costs

Borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

Costs arising from other financial instruments are recognised according to the nature of the instrument as described under financial liabilities and derivative instruments below.

2.6 Taxation

The tax charge represents the sum of current and deferred tax, and is charged or credited to the statement of profit or loss or statement of other comprehensive income as appropriate, except when it relates to items credited or charged directly to equity in which case the tax is also dealt with in equity.

Current tax is based on taxable profit for the year and is calculated using tax rates that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and those used for tax purposes. Deferred tax is accounted for using the balance sheet liability method and is calculated using the enacted or substantively enacted rates that are expected to apply when the asset or liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.7 Operating profit

Operating profit is stated before investment income and profit on sale of investments and finance costs.

2.8 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current. Deferred tax assets and liabilities are always classified as non-current.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly-liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. Significant accounting policies (continued)

2.10 Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired.

Expected credit losses are applied to ageing Company based on historical default rates. Management have used the credit ratings of the most significant customers as an approximation of the probability of default, which was then applied to the quantum of probable loss in case of default.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

2.11 Inventories and development costs

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

The cost of purchased inventory comprises the purchase price of the items, net of trade discounts and rebates received, irrecoverable import duties and other material costs directly attributable to the acquisition of the items. The cost of manufactured inventory comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Gains or losses on translation of foreign currency payments against inventory purchases are not included within inventory value but are expensed separately in the period incurred.

The costs relating to early-stage development opportunities are recognised in the statement of profit or loss until such point as the Company's Investment Committee is confident that the economics of the underlying project are viable and the project expenditure is approved by the Committee on the basis of its recoverability. After this point, all development activity relating to the project is capitalised as work in progress.

Where multiple inventory items of the same type are accumulated over time, the first-in, first-out (FIFO) method is used to value the line of items.

2. Significant accounting policies (continued)

2.12 Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Any other financial assets are recognised at amortised cost in line with IFRS 9.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Investments in wholly-owned subsidiaries are accounted for at cost, in line with IAS 27. All other investments held by the Company are designated as Fair Value through Other Comprehensive Income and are revalued annually, with any movements being recognised in other comprehensive income.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through statement of profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through statement of profit or loss.

2. Significant accounting policies (continued)

2.13 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost or valuation of assets over their estimated useful lives, using the straight-line method, over the following periods:

Leasehold improvements	5 years
Computer equipment	2-4 years
Fixtures and fittings	3-7 years
Intangibles	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to statement of profit or loss.

2.14 Assets under construction

Once a project has reached financial close and construction commences, any development asset balances recognised are transferred to assets under construction.

All construction costs are subsequently capitalised within assets under construction.

2.15 Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to statement of profit or loss as

2.16 Intangible assets

Computer software

Computer software is depreciated on a straight-line basis over 2-4 years.

Impairment of tangible and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount by reference to the cash-generating unit in which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

2. Significant accounting policies (continued)

Impairment of tangible and intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.17 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of the end of the month of recognition.

2.18 Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

2.19 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

2.20 Provisions

Provisions are recognised under IAS 37 Provisions, Contingent Liabilities and Contingent Assets when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the fair value of the expenditure required to settle the obligation at the balance sheet date.

Provisions are currently recognised by the Company in respect of guarantees and warranties granted to customers. Management estimates of expected future expenditure under these warranties are supported by internal data and established industry failure mode analyses.

The Company also recognises provisions in respect of its obligation to return leasehold properties to the required condition on termination of those leases. Such provisions are based on management estimates of the costs to be incurred.

2.21 Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Pensions

Pension costs charged in the financial statements represent the contributions payable by the Company into employees' private pension schemes. The contributions payable in the year are recognised as an expense. Differences between contributions payable in the year and contributions actually paid are accounted for as accruals or prepayments in the statement of financial position.

2. Significant accounting policies (continued)

2.22 Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.23 Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.24 Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

2.25 Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

3. Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that are likely to have a material impact on the carrying amounts of assets and liabilities within the next financial year, are disclosed below. There are no critical accounting judgements.

Key Source of estimation uncertainty

Revenue from contracts with customers

A significant portion of the Company's revenue arises from contracts with customers, which are accounted for under IFRS 15. In the event that a contract meets the criteria laid out in the standards, recognition will be over time, calculated using the input method (being costs incurred as a proportion of the total costs expected to be incurred in fulfilling the performance obligations set out by the contract). There is inherent uncertainty that the total costs expected to be incurred to fulfil the Company's performance obligation may change during the course of the contract, although the Company does review the expected cost on a monthly basis. The balances that would be impacted are deferred income and accrued income.

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March

4. Revenue

	2022 £'000	2021 £'000
Revenue from contracts with customers, recognised in line with IFRS 15	128,636	142,308
Total Revenue from contracts with customers	128,636	142,308

Share of total revenue by market

United Kingdom	10,594	22,569
Spain	118,043	119,739
Total Revenue	128,636	142,308

5. Depreciation and amortisation

	2022 £'000	2021 £'000
Depreciation of property, plant and equipment	440	284
Amortisation of intangible assets	-	111
Depreciation of right-of-use assets	128	459
Total depreciation and amortisation expense	568	854

6. Staff costs

The average number of employees (including executive directors) during the year was as follows:

	2022	2021
Average number of employees	85	121

The employee benefits expense during the year was as follows:

	2022 £'000	2021 £'000
Wages and salaries	7,004	8,702
Social security costs	1,081	1,454
Pension costs	182	315
Share-based payments	-	4,821
Total employee benefits expense	8,267	15,292

7. Directors' remuneration

	2022 £'000	2021 £'000
Aggregate remuneration in respect of qualifying services	202	3,110
Aggregate amounts of contributions to pension schemes in respect of qualifying services	15	193
Highest paid director - aggregate remuneration	122	1,003
Highest paid director - pension scheme contribution	9	28

As share-based payment of nil (2021: £4,820,905) has been recognised in the year.

All employees were transferred to Statkrat UK Limited as at 01:01:2022.

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

8. Operating profit/(loss)

The following items have been included in arriving at operating (loss)/profit:

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for the audit of the Company's annual report and financial statements	27	27

9. Finance income

	2022 £'000	2021 £'000
Loan interest received	-	313
Bank interest	543	-
	543	313

The principle source of finance income in the prior year was a loan facility provided to a number of entities within the group companies as identified in note 19. Current year bank interest received is from Statkrafts In-House bank.

10. Finance costs

	2022 £'000	2021 £'000
Bank interest paid	603	541
Interest expense on finance lease liability	28	45
Other finance costs	-	56
	631	642

The main finance cost incurred in the current and prior year has been the interest paid on overdraft facility within the group.

11. Income tax expense

Corporation tax is calculated at 19% (2021: 19%) of the estimated assessable profit/(loss) for the year.

	2022 £'000	2021 £'000
<i>Income tax expense</i>		
UK corporation tax	5,407	993
Overseas tax	817	-
Group relief (prior year)	-	-
Corporation tax (prior year refund)	(852)	(136)
	5,372	857

Aggregate income tax expense

Numerical reconciliation of income tax expense and tax at the statutory rate:
Profit before income tax expense

	56,187	(3,594)
Tax at the statutory tax rate of 19% (2021: 19%)	10,675	(683)

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

11. Income tax expense (continued)

Tax effect amounts which are not deductible/(taxable) in calculating taxable income	(4,452)	1,676
Adjustment to tax charge in respect of previous years	(852)	(136)
Income tax expense	<u>5,372</u>	<u>857</u>

Deferred tax assets are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability settled, based on tax rates in the relevant territory that have been enacted or substantially enacted at the balance sheet date.

12. Deferred tax

	Fixed assets	Other assets	Tax losses	Retirement benefits	Total
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 April 2021	219	187	111	1	518
(Charge)/credit in the year	-	-	-	-	-
Exchange differences	(219)	(187)	(111)	(1)	(518)
Balance as at 31 March 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

At the balance sheet date, the Company had gross temporary and timing differences amounting to £nil (2021: £Nil) available for offset against future taxable profits for which deferred tax has not been recognised. These assets have not been recognised as the future taxable profits in the relevant entities cannot accurately be predicted at this time.

In the March 2021 Budget, it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. At 31 March 2022, the relevant UK deferred tax assets and liabilities included in these financial statements were based on the increased rate having regard to their reversal profiles. There is no impact from the Finance Act 2022 being enacted within the year.

13. Intangible assets

	2022	2021
	£'000	£'000
Software - at cost	1,379	1,364
Less: Accumulated amortisation	<u>(1,330)</u>	<u>(1,314)</u>
	<u>49</u>	<u>50</u>

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Software	Total
	£'000	£'000
Balance at 1 April 2021	50	50
Balance at 31 March 2022	<u>49</u>	<u>50</u>

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

14. Tangible fixed assets

	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
<i>Cost</i>				
At 1 April 2021	325	181	518	1,024
At 31 March 2022	325	181	518	1,024
<i>Accumulated depreciation and impairment</i>				
At 1 April 2021	223	152	455	830
At 31 March 2022	223	152	487	862
<i>Net carrying amount</i>				
At 1 April 2021	102	29	63	194
At 31 March 2022	102	29	31	162

15. Right-of-use assets

	Premises £'000	Vehicles £'000	Office equipment £'000	Total £'000
<i>Cost</i>				
At 1 April 2021	908	20	72	1,000
Additions during the year		60		60
Disposals during the year	(3)	-	(4)	(7)
As at 31 March 2022	905	80	68	1,053
<i>Accumulated depreciation and impairment</i>				
At 1 April 2021	489	16	36	541
Charge during the year	416	28	19	463
As at 31 March 2022	905	44	55	1,004
<i>Net carrying amount</i>				
At 31 March 2021	419	4	36	459
At 31 March 2022	(0)	36	13	48

16. Investments

	2022 £'000	2021 £'000
<i>Cost</i>		
At 1 April	336	586
Additions during the year	54,133	49
Disposals during the year	(5,390)	(299)
At 31 March	49,079	336
<i>Provision for impairment</i>		
At 1 April	115	115
Additions during the year	-	-
Disposals during the year	-	-
At 31 March	115	115
<i>Net Book value</i>	48,964	221

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

16. Investments (continued)

In October and November 2021, a equity injection of £48,794,603 was completed in SCH projects Limited. Further equity injections amounting £5,300,000 were complete for Solarcentury Benelux £1,705,000, Solarcentury Services France SAS £687,446 and Solar Century Italia S.r.l £2,855,284 respectively

In the prior year, the Company recognised an impairment of £115,000 against its investments in Solarcentury East Africa Limited, Solarcentury Panamá S.A., and Solarcentury Africa PTY Limited.

During the year, the Company disposed of its investment in Solar Project Staat Vast I and SolarProject Staat Vast II for no gain and loss. Solarcentury Italia S.R.L was transferred to Statkraft European Wind and Solar AS along with the sale of Solarcentury Benelux B.V. amounting to a profit on disposal of £23,648k.

List of subsidiaries

Name	Principal place of business	Ownership
AK Kin Green Power Park	Mexico	100.0%
SCH Projects Limited	United Kingdom	100.0%
Solarcentury Services France SAS	France	100.0%
SC Benelux Holdco B.V.	Netherlands	100.0%
Zonnepark Bollendonk B.V.	Netherlands	100.0%
Zonnepark Budel Dorplein II B.V.	Netherlands	100.0%
Zonnepark Wilbertoord Noordstraat B.V.	Netherlands	100.0%
Zonnepark Winterswijk Arrasveldweg B.V.	Netherlands	100.0%
Zonnepark Winterswijk Masterveldweg B.V.	Netherlands	100.0%
Solar Century Argentina Holdco 1 Limited	United Kingdom	100.0%
Solar Century Argentina Holdco 2 Limited	United Kingdom	100.0%
Solar Century Argentina Holdco 3 Limited	United Kingdom	100.0%
Solar Century Argentina Holdco 4 Limited	United Kingdom	100.0%
Solar Century Argentina Holdco 5 Limited	United Kingdom	100.0%
Solarcentury Projects Latin America S.A.	Panama	100.0%
Fotovoltaico Dulima S.A.S	Colombia	100.0%
Fotovoltaico Flandes S.A.S.	Colombia	100.0%
Fotovoltaico Yuma S.A.S	Colombia	100.0%
Statkraft Holding España S.L.U	Spain	100.0%
Arada Solar, S.L.U.	Spain	100.0%
El Refugio Fotovoltaico, S.L.U. (PFV El Refugio)	Spain	100.0%
Fotovoltaico El Casar S.A.S	Spain	100.0%
Guadalsolar Cuatro, S.L.U.	Spain	100.0%
Guadalsolar Dos, S.L.U.	Spain	100.0%
Guadalsolar Tres, S.L.U.	Spain	100.0%
Guadalsolar Uno, S.L.U.	Spain	100.0%
Maragato HoldCo S.L.U.	Spain	100.0%
Maragato Solar Cinco S.L.U.	Spain	100.0%
Maragato Solar Cuatro S.L.U.	Spain	100.0%
Maragato Solar Dos S.L.U.	Spain	100.0%
Maragato Solar Tres S.L.U.	Spain	100.0%
Maragato Solar Uno S.L.U.	Spain	100.0%
Oroneta Solar, S.L.U.	Spain	100.0%
Oropesa Solar, S.L.	Spain	100.0%
Parpadeo Solar, S.L.	Spain	100.0%
PFV Albufera, S.L.U.	Spain	100.0%
PFV La Barraca, S.L.U.	Spain	100.0%
PFV Los Hierros, S.L.	Spain	100.0%
PFV Los Predios, S.L.	Spain	100.0%
PFV Pla de LLum, S.L.	Spain	100.0%
PFV Prado Gris, S.L.U.	Spain	100.0%
Proyecto Fotovoltaico Tendetes, S.L.U.	Spain	100.0%
Solar Century Holdings Limited Sucursal en España	Spain	100.0%
Solarcentury Chile SpA	Chile	100.0%
Solarcentury Desutshland GmbH	Germany	100.0%
Solarcentury Projects SpA	Chile	100.0%
Solarcentury Services Greece Single Member S.A.	Greece	100.0%

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

16. Investments (continued)

SolarProject SC I	Greece	85.0%
SolarProject SC II	Greece	85.0%
SolarProject SC III	Greece	85.0%
SolarProject Staat Vast III	Greece	100.0%

17. Inventories and development costs

	2022 £'000	2021 £'000
Development costs	2,606	1,449
Less: Provision for impairment	(455)	(216)
	<u>2,151</u>	<u>1,233</u>
Components	-	-
Less: Provision for impairment	-	-
	<u>-</u>	<u>-</u>
	<u>2,151</u>	<u>1,233</u>

Management undertake regular reviews for impairment based on the status of the underlying projects to which the amounts capitalised relate to.

18. Trade and other receivables

	2022 £'000	2021 £'000
Trade receivables	12,869	498
Less: allowance for expected credit losses	(92)	(95)
	<u>12,777</u>	<u>403</u>
Amounts due from subsidiary undertakings	4,669	38,538
Accrued revenue	6,639	2,884
Prepayments	4,348	1,224
Other receivables	4,703	7,055
	<u>33,136</u>	<u>50,104</u>

Amounts owed from group undertakings are interest free and payable upon request.

19. Long term receivables

	2022 £'000	2021 £'000
Amounts due from subsidiary undertakings	<u>49</u>	<u>5,465</u>

20. Cash and cash equivalents

	2022 £'000	2021 £'000
Cash and cash equivalents	<u>91,995</u>	<u>77,831</u>

Cash and cash equivalents comprise cash held by the Company, current account bank balances and treasury deposits accessible at short notice. The carrying amount of these assets equates to their fair value.

21. Trade and other payables

	2022 £'000	2021 £'000
Trade payables	2,151	1,255
Deferred Revenue	665	6,302
Amounts owed to subsidiary undertakings	4,069	14,674
Other payables and accruals	8,232	9,175
Taxation and social security	3,840	555
	<u>18,957</u>	<u>31,961</u>

Amounts owed to group undertakings are interest free and payable upon request.

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022.

22. Income tax

	2022 £'000	2021 £'000
Corporation tax payable	3,457	857

23. Current provisions

	2022 £'000	2021 £'000
Warranty	38	35
Penalty performance	-	22
Dilapidation	326	-
	364	57

Warranty Provision

The warranty provision represents the fair value of the Company's liability under warranties granted to customers. Within the warranty provision the Company includes provisions for large scale groundmount projects to cover the anticipated costs of achieving client final acceptance of a project, which is generally scheduled to occur two years after the client has provisionally accepted delivery of the project under the terms of the contract. On provisional acceptance, 100% of the project value is recognised and provisions made to cover any reasonably expected costs to be incurred in ensuring the project achieves final acceptance and for any residual liabilities thereafter.

Penalty Performance Provision

The penalty performance provision represents the fair value of the Company's liabilities under performance obligation contracts with customers, which are payable when the contractual minimum performance of projects is not met.

24. Lease liabilities

Lease liabilities have been split between current (payable in under 12 months) and non-current (payable in over 12 months):

	2022 £'000	2021 £'000
Short-term lease liabilities	43	530
Long-term lease liabilities	-	-
	43	530

Lease liability as at 2021	530	956
Additional lease liability related to the acquisition of right-of-use assets during the year	-	-
Interest charge for the year	28	45
Payments made during the year	(515)	(471)
Lease liability as at 31 March	43	530

The maturity analysis of the lease liabilities is presented below:

	2022 £'000	2021 £'000
Lease commitments		
Within 1 year	43	530
Total commitments	43	530

25. Non-current provisions

	2022 £'000	2021 £'000
Warranty	2,449	464
Dilapidation	-	321
	2,449	785

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

Warranty Provision

The warranty provision represents the fair value of the Company's liability under warranties granted to customers. Within the warranty provision the Company includes provisions for large scale groundmount projects to cover the anticipated costs of achieving client final acceptance of a project, which is generally scheduled to occur two years after the client has provisionally accepted delivery of the project under the terms of the contract. On provisional acceptance, 100% of the project value is recognised and provisions made to cover any reasonably expected costs to be incurred in ensuring the project achieves final acceptance and for any residual liabilities thereafter.

Dilapidation Provision

The dilapidation provision represents the fair value of the Company's obligations under various lease arrangements to return the leased property to the condition required under the lease terms at the end of the leasehold. The potential outflows are forecast to occur at the

26. Long term loan

	2022 £'000	2021 £'000
Amounts owed to subsidiary undertakings	3,926	-
	<u>3,926</u>	<u>-</u>

The long term loan represents the fair value with related parties within the group.

27. Share capital

	2022 Shares	2021 Shares	2022 £'000	2021 £'000
Ordinary shares - fully paid - nominal value £1	60,036,551	60,010,820	60,037	60,012
A Class Preference shares - fully paid - nominal value £1	-	18,555	-	18
B Class Preference shares - fully paid - nominal value £1	-	7,088	-	7
B1 Ordinary shares - fully paid - nominal value £0.01	-	2,300	-	2
B2 Ordinary shares - fully paid - nominal value £0.01	-	6,655	-	6
	<u>60,036,551</u>	<u>60,045,418</u>	<u>60,037</u>	<u>60,045</u>

The A shares and B shares have specific rights (prior to distribution amongst all shareholders) to recover their original investments up to certain levels upon sale or liquidation of the entire share capital of the Company. The A shareholders hold this right until they have received, in aggregate, four times their original investment. The B shareholders hold this right until they have received, in aggregate, two and a half times their original investment. Four A and B shareholders have the right to appoint directors to the Board and both these classes of shares have voting rights on certain reserved matters. A reclassification of A and B shares to Ordinary shares fully paid was made 21 April 2021.

28. Share premium

	2022 £'000	2021 £'000
Share premium account	29,077	29,077
	<u>29,077</u>	<u>29,077</u>

Share premium account

The share premium reserve represents the excess amount received from investors over the par value of shares issued.

29. Retained earnings

	2022 £'000	2021 £'000
Retained earnings at the beginning of the financial year	14,322	14,493
Profit after income tax expense for the year	50,815	(4,451)
Share-based payment	-	4,280
Retained earnings at the end of the financial year	<u>65,137</u>	<u>14,322</u>

Solar Century Holdings Limited
Notes to the financial statements (continued)
For the year ended 31 March 2022

30. Dividend paid

There were no dividends paid, recommended or declared during the current or previous financial year.

31. Events after the reporting period

On 20 December 2022 all the assets of the Spanish branch was transferred to Statkraft Development Spain S.L.U.. This was completed as a non-monetary contribution in the form of shares allocated to the company.

On 6 January 2023 a set off agreement was entered into between Solar Century Holdings Ltd and Solar Century Chile SpA in relation to outstanding balances due to each parties the amount due to Solar Century Chile SpA at the balance sheet date amounts to £3,830,000

On 8th March 2023 Solar Century Holdings Limited signed a deed of variation under the O&M framework agreement and subsequent call off contract of 2011 to exclude the Phoenix Leisure Centre as it is no longer owned by the contract owner Cornwall Council. The current financial impact is not quantifiable at this point in time.

On 5th May 2023 Solar Century Holdings Limited reached a settlement agreement with Sputnik Engineering UK Limited for full and final settlement of solar inverter equipment amounting to £3k.

On 16th May 2023 Solar Century Holdings reached a settlement agreement with Core Newton Downs Limited (formally Good Energy Development (No.23) Limited for the contract covering engineering, procurement, construction and maintenance of ground-mounted, grid-connected photovoltaic power systems at Newton Downs Farm amounting to £468,000.