Registered Number: 10723411

Parent Company Accounts
for Anesco Rooftop Limited
09426759

ANESCO ACQUISITIONCO LIMITED

ANNUAL REPORT AND CONSOLIDATED STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

ANESCO ACQUISITIONCO LIMITED

COMPANY INFORMATION

DIRECTORS	Stephen Shine Kevin Mouatt Chris Mutter Natalia Tsitoura Alex Walker Charles St John
REGISTERED NUMBER	10723411
REGISTERED OFFICE	The Green Easter Park Benyon Road Reading Berkshire RG7 2PQ
INDEPENDENT AUDITOR	Deloitte LLP Abbots House Abbey Street Reading RG1 3BD

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

PRINCIPAL ACTIVITIES

The Group's principal activity is the commercial development of energy storage, renewable energy and other energy efficient projects focused on the delivery of utility scale energy storage solutions, and large-scale solar photo voltaic (PV) installations. Integral to this model are the other key activities of the Group including the provision of operational and maintenance services for third party battery storage and solar PV site owners and ECO, which supports the UK's leading utilities to meet their obligations in respect of energy efficiency and combatting fuel poverty.

During the year the Group has significantly grown the portfolio of sites that it owns and operates, to 96.5 MW of Battery Storage and Hybrid (Energy Storage and Solar PV) sites. It is actively involved in the asset management of these sites and the associated optimisation of returns to this new asset class which the Board believes will be central to the modernisation of the Grid to accommodate the growth in renewable generation in the coming years.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Group has continued the development of its pipeline in both Energy Storage and Solar PV at both the utility and the behind the meter levels of network infrastructure. This pipeline ensures the positioning of the Group for the anticipated uptake in the market in the coming years. The Group continues to lead the marketplace and following the first subsidy free solar hybrid site at Clayhill during the last financial year, the current year has seen the inclusion of the first battery storage assets into the Balancing Mechanism with National Grid. During the year, the Group has also further developed on its position as an asset owner and operator of Energy Storage assets becoming owner of one of the largest portfolios of battery storage assets in the UK and secured the first floor-priced contract on a battery portfolio with EDF.

Despite the ongoing improvements in other business areas, trading for the year in respect to Projects has been below expectations. Delays in legislative and regulatory changes, and as a result the continued focus of investors on the related risk profile, have reduced the number of sites sold. As such, the business has adapted by accelerating its Own and Operate strategy, building assets which it retains and operates. This is viewed as a long-term strategy that will result in regular recurring revenues being received over a long period, and which will see an increase in the value of the Group's net assets.

The Group recorded a gross profit for the year of £11m (2018: period to 31 March 2018 £19m) representing a margin of 22% (2018: period to 31 March 2018 26%). Revenues in the year totalled £50m (2018: period to 31 March 2018 £73m). Loss before tax for the year was £53m, including impairments of goodwill and intangibles of £28m, in comparison to £9m in the prior period. The period to 31 March 2018 reflects trading following acquisition of the group companies on 7 May 2017.

The development of the Group's pipeline focuses on finding and developing new sites and as such, we have a high quality, long-term project pipeline which will be key to ensuring the continued success of the Group. At the heart of the Group's strategy is a recognition that the ability to add value across the renewable energy generation and energy efficiency value chain is key, as well as the ability to work on both sides of the meter.

The Directors, in agreement with the Group's principal shareholder, consider the key KPI of the Group to be Adjusted EBITDA, which comprises earnings before interest, tax, depreciation, amortisation, movements on foreign exchange, profit or loss on the sale of SPVs and exceptional costs, being specific non-recurring items which would otherwise distort the underlying performance of the Group. Exceptional costs total £1.4m (2018: period to 31 March 2018 £1.3m) relate to ongoing Group restructuring costs, and legal costs not relating to current trading, as in the prior period. Of these costs, £1.1m are subject to tax and £285k remains outstanding for payment at the year end. A reconciliation of profit before tax for the year to Adjusted EBITDA is shown overleaf.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

	Year to 31 March 2019 (£)	12 April 2017 to 31 March 2018 (£)
Loss before tax	(52,863,808)	(9,308,146)
Depreciation	1,729,010	289,123
Amortisation	6,095,430	8,413,637
Impairment of intangible assets	28,328,240	-
Net interest payable	13,721,916	9,176,083
Loss/(profit) on sale of SPVs	271,511	(820,876)
Foreign exchange losses/(gains)	179,724	(320,937)
Exceptional items	1,351,328	1,315,615
Adjusted EBITDA	**(1,186,649)**	**8,744,499**

The Group is in discussions with Alcentra Ltd, the manager of the funds which are both the principal share and debt holders, with the intention of restructuring the group's borrowing facilities to better present their investment in Anesco in order to reinforce its commitment to the development of the renewable energy and energy storage marketplaces.

Company management consider the unitranche loans from its principal shareholders as an equity like instrument since it represents the capital invested in the business by the owner. The Capex facility continues to be classified as a liability as it is used for asset development. The summary balance sheet for the Group would be as shown below:

	Mar-19 Statutory	Adj	Mar-19 Mmgt	Mar-18 Mmgt
	£'000	£'000	**£'000**	**£'000**
Non-current assets	100,859	-	**100,859**	**107,052**
Current assets	31,685	-	**31,685**	**56,559**
Current liabilities	(23,842)	-	**(23,842)**	**(31,187)**
Net current assets	7,843	-	**7,843**	**25,372**
Cash	1,694	-	**1,694**	**4,728**
Debt	(169,778)	133,034	**(36,744)**	**(22,252)**
Net Assets	(59,382)	133,034	**73,652**	**114,900**
Represented by:				
Capital & Reserves	(59,382)	-	**(59,382)**	**(9,191)**
Shareholder loan	-	133,034	**133,034**	**124,091**
	(59,382)	133,034	**73,652**	**114,900**

The risks associated with the Group are as follows:

Government Policy:
The government is committed to meeting its UK carbon targets as set out in the Clean Growth Strategy. To achieve these targets, the government acknowledges that policies and legislation must be adjusted accordingly to promote deployment of renewable assets in a subsidy-free world. In light of the recent increase in the decommissioning of coal power stations, the government understands that the requirements for more renewable energy projects and flexibility projects in the UK is critical to ensure the longevity of the energy system. Given the strategic importance to the Group, it continues to engage with policy and regulatory bodies, including The Department for Business, Energy and Industrial Strategy (BEIS), HMT, Ofgem and National Grid to influence ongoing and changing policies and legislation in the UK. A key project for the Group has been engagement with BEIS and National Grid to allow energy storage assets to enter the Balancing Mechanism which has been successfully completed. The Group now has a strong presence in the market with the policy and regulatory bodies and will continue to be a key influencer and leader in the deployment of subsidy free solar and energy storage in the UK.

The ECO scheme has no cost to government, and instead the government places an obligation and target spend on energy companies to make UK homes more energy efficient in line with wider government policy covered in the Clean Growth Strategy. BEIS has now committed to the operation of the scheme to at least 2022 which provides added security to our ECO business.

The regulatory bodies governing the energy industry generally can impact the Group's strategic direction, particularly in respect of the speed of adoption of new technologies and processes. The Group maintains regular contact with these regulatory bodies and seeks to participate in the development of policy where possible. In conjunction with this, the Group has access to market-leading policy influencing think tanks and lobby groups.

The wider political landscape, notably in respect of the UK's future relationship with Europe, has had a limited impact on the Group as all its operations are based in the UK. Specific action has been taken to secure its non-UK supply chain components, most of which are from outside the European Union. UK governmental and regulatory delays, due to the lack of available parliamentary time and resources as a result of Brexit have caused the biggest impact on the Energy industry in general, and renewable energy and Energy Storage specifically. As a result, the Group continues to engage regularly with the government and regulatory authorities seeking to offset this effect. Key financial risks are detailed below.

Financial Risks:
The Board has responsibility for monitoring financial risks and its policies are implemented by the Chief Financial Officer. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group, as described below:

1. Price Risk
The Group is exposed to changes in the market prices of its materials. To manage this the Group has developed a broad supply base, purchasing directly from the manufacturer where possible to minimise cost, and negotiating framework agreements with key suppliers to ensure price stability, and where possible, price reductions as a result of technological advances. Potential increases in tariffs on importing could also impact this cost for some of the materials used by the business.

2. Credit Risk
The Group's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. Trade debtors presented in the balance sheet are presented net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. New credit customers are subject to approval and credit reports from reputable credit reference agencies are used to aid decision making prior to credit being offered.

3. Foreign Exchange Risk
The Group makes purchases in Sterling, Euro and US Dollars but only receives payments in Sterling which exposes the Group to foreign exchange risk. The Directors are risk averse in their approach so when the business considers it to be favourable the Group enters into forward contracts to hedge these exposures as soon as currency requirements are known.

4. Interest Rate Risk
The Group is exposed to interest rate risk through its loan facility which is priced as LIBOR plus a fixed margin. The facility, and its related interest, is rolled over every 6 months, capitalising the interest accrued, which reduced the mid-term and long-term exposure of the interest rate risk on each roll-over. The Board are mindful of the impact a rise in the Bank of England base rate would have and monitor when rate increases are forecast by the market.

5. Brexit
The Directors have also assessed the current risk surrounding Brexit. As trade is based in the UK and is not significantly dependent on European suppliers, the impact is considered to be of low risk, especially with reference to long-term contracts within the business.

KEY PERFORMANCE INDICATORS

Safety is central to the Company's activities and key to the development of our sites. All our processes are aligned to international standards for quality management (ISO 9001), environmental management (ISO 14001) and Health & Safety management (ISO 45001). In addition, the Company has retained the RoSPA Gold Award for occupational health and safety for the past five years.

The Group retained the Gold Investors in People award during the year, reflecting our belief that the Group's greatest asset is its people. Employees are kept informed of Group developments by quarterly staff presentations delivered by the executive board, a regular newsletter and face to face meetings. Consultation with employees take place and employees are made aware of their contribution to the Group through individual performance appraisals. Employees are regularly invited to attend Board meetings as observers.

We have continued to deliver an exceptional Health and Safety performance. This was recognised by ROSPA granting Anesco a gold award for Occupational Health and Safety during 2018.

As described above, the main financial key performance indicator is Adjusted EBITDA, that is, earnings before interest, tax, depreciation, amortisation and exceptional items. Further detail of this performance measure can be found in the Business Review section on page 3.

GOING CONCERN

The continued development of the subsidy free market for renewables and the ongoing balancing of renewable supply and regular peak demand is becoming ever harder for National Grid. The Group is well positioned strategically in solar and storage markets as both a developer and owner of sites. Based upon the Group's available facilities, provided through the parent's financing company, and expected future trading results combined with its strong order book, the Directors believe that the Group is well placed to manage its business risks successfully.

At the year end, the Group maintained lending facilities with its owners which are not fully drawn, for the purpose of funding the Group's development of sites and pipeline. A letter of support has been provided from the Alcentra investment funds, as both the debt holders and shareholders in the ultimate holding Group, confirming the Group is not required to comply with specific covenants and confirming that funding will not be withdrawn, for a period of 12 months from the date of signing these financial statements.

In addition to annual yearly forecasts prepared on a timely basis and reviewed against actual performance throughout the year, the Board manages the Group using detailed financial cash flows that are updated regularly. These forecasts have been reviewed in depth by the Board, against the backdrop of cost saving initiatives, Brexit and the principal risks detailed on page 6 of this report, and indicate that the Group has sufficient financial resources to settle its obligations as they fall due.

The Board therefore believes that it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Group.

ENVIRONMENTAL POLICY

Recognising that it should promote the protection of the environment which is central both to the products and services it offers, as well as recognising responsible business operating standards, the Group has adopted the following Environmental policy with a view to the continual improvement of its environmental management processes.

Environmental objectives and targets are set by the Group's Safety, Health and Environment (SHE) Group as part of the annual SHE Action Plan, and progress is monitored and reported at regular meetings. The Group is committed to meet the requirements contained within the Environmental Management Systems standard BS EN ISO 14001: 2004.

The Group is committed to complying with and exceeding all applicable legal requirements and any other requirements needed to meet environmental targets and preventing pollution to land, air or water. In that context, it seeks:

- continual improvement in the management of environmental aspects;
- to set clear and measurable targets for staff based on the key environmental aspects and potential impacts on the environment;
- to maintain an effective environmental management system;
- to ensure adequate resource to show continual improved performance;
- to effectively manage all operations performed by staff and contractors to ensure compliance with all environmental requirements;
- to provide environmental information on Group activities on request;
- innovation in its business processes to reduce fuel consumption; and
- to work with its suppliers to reduce waste caused by packaging.

This policy is communicated and implemented at all levels of the organisation.

SOCIAL POLICY

Information is provided regularly by means of normal management communication channels using written material, the intranet and both Group-wide and face-to-face meetings. Consultations with employees take place regularly and employees are made aware of their contribution to the Group through individual performance appraisals.

It is the policy of the Group to give full and fair consideration to applications for employment irrespective of age, gender or disability, and to continue wherever possible the employment of members of staff who may become disabled and to ensure that suitable training, career development and promotion is afforded to such persons.

The Group encourages the training of all members off staff, and organises regular training courses specific to an individual's area of expertise and career development, as well as training related to a specific concern such as health and safety and environmental education.

GOVERNANCE

Corporate governance

Whilst we are not required to comply with the UK Corporate Governance Code, we have reported on our Corporate Governance with respect to Board and Committee arrangements, as applied through Anesco Acquisitionco Ltd, as holding Group for Anesco Ltd, by drawing upon those aspects of the UK Corporate Governance Code that we consider to be relevant to the Group.

Board

The Board of Anesco Acquisitionco Ltd, a holding Group of Anesco Ltd, comprises six Directors, three of whom are non-executives. Between them, the Directors have many years of experience in the Group's principal activities and in the utilities and energy sectors generally as well as in the corporate finance arena.

The Board of Anesco Acquisitionco Ltd meets at least 11 times each year, and procedures are put in place whereby non-executive Directors can seek independent professional advice in the furtherance of their duties.

The Board of Anesco Acquisitionco Ltd has implemented a format and timetable for the provision of financial and other information to Board members and senior executives to ensure the timeliness and quality of that information and to ensure that Directors and senior management are properly briefed.

Board Committees
The Board of Anesco Acquisitionco Ltd has two committees, the Audit Committee and the Remuneration and Nominations Committee.

Audit Committee: the primary responsibilities of the Audit Committee, which meets at least twice a year, are to review the financial statements of the Group and parent company, to consider the appointment of external auditors, their effectiveness and independence and to review risk management. This Committee is chaired by Charles St John, a non-executive Director of Anesco Acquisitionco Limited.

Remuneration and Nominations Committee: The Remuneration and Nominations Committee meets at least twice a year and is chaired by S Shine. The Remuneration and Nominations Committee is charged with the development and application of a formal and transparent policy for the appointment and remuneration for executive Directors, for remuneration policy for all staff, and for succession planning.

Anti-corruption policy
As part of the Company's commitment to preventing bribery and establishing a culture that does not tolerate corruption wherever and in whatever form it may be encountered, an updated anti-corruption policy was approved by the Board in 2019 and appropriate procedures put in place to ensure compliance with current legislation and the Group's policy and related procedures. In addition, human rights policies are regularly reviewed by the company.

Supplier payment policy
The Company's policy, which is also applied to the Group, is to agree payment terms with suppliers when entering into each transaction to ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. The company has made reports on the payment practices of the business under section 3 of the Small Business, Enterprise and Employment Act 2015.

Relations with Stakeholders
The Group's institutional investor is represented on the Board of the Group and on its various governance committees, and the Group meets with its debt providers on an annual basis as well as providing them regularly with information throughout the year.

Subcontractors and suppliers
The Company engages and contracts with suppliers, on a local and international level, through a tendering process where appropriate and maintains regular contact with them to enhance the Company's product and service offering.

People
The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the business and their divisions. This is achieved through a cascade of information through the organisation from formal quarterly reviews with management, quarterly company briefings and informal meetings within each division.

We encourage positive engagement with staff to improve the performance of the business from financial management, risk management and health and safety.

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019

Application for employment of disabled persons are always fully considered bearing in mind the abilities of the applicant concerned. In the event members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that training, career development and promotion of disabled person should, as far as possible, be identical to that of other employees.

This report was approved by the board on 22 November 2019 and signed on its behalf by:

Stephen Shine
Executive Chairman

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2019

The Directors present their report and the financial statements for the year ended 31 March 2019. Financial risk management and Employee consultation have been included within the strategic report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the statutory financial statements in accordance with applicable law and regulations.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Company and of the profit or loss of the Group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £50,190,969 (2018: for the period £9,191,420).

The Directors do not recommend the payment of a dividend (2018: £nil).

DIRECTORS

Directors who served the Group and the Company during the year and up to the date of approval of this report were:

Stephen Shine
Kevin Mouatt
Chris Mutter
Charles St John
Natalia Tsitoura
Alex Walker

Third party indemnity insurance was provided for all Directors of the Group during the period and also at the date of the approval of the financial statements, under policies held by the Group.

POLITICAL AND CHARITABLE CONTRIBUTIONS

There were no political donations in the year. Charitable donations were made totalling £10,000 (2018: £10,000).

FUTURE DEVELOPMENTS

The Group will continue its strategic repositioning into Energy Storage Systems over the next 12 months, which complements its expertise in the implementation of large scale PV sites and will allow it to benefit from recent developments in the energy infrastructure marketplace in the UK and overseas. Further information is included in the Strategic report.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Group has continued to develop AnescoMeter and invested further funds during the period to specifically enhance and add functionality. AnescoMeter is a bespoke software program that was designed to monitor and report on the performance of renewable assets and infrastructure, regardless of whether the system was installed by the Group or a third party. The software can read any meter worldwide such that AnescoMeter can monitor a variety of energy generating assets including biomass boilers, solar PV and heat pumps.

The software can immediately highlight a fault with a monitored installation and schedule a maintenance visit, maximising uptime of the installation. The software also automates much of the administration around reporting and payments.

During the period the Group has also invested in energy storage remote monitoring and reporting technology. This is expected to continue into the new financial year, in conjunction with investment in the process of developing hybrid battery and subsidy free solar sites.

DISCLOSURE OF INFORMATION TO AUDITOR

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 Group and the Group's auditor is 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 Group and the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

POST BALANCE SHEET EVENTS

There are no significant post balance sheet events which require disclosure.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office.

This report was approved by the board on 22 November 2019 and signed on its behalf by:

Chris Mutter
Director

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ANESCO ACQUISITIONCO LIMITED

Opinion
In our opinion the financial statements of Anesco Acquisitionco Limited (the 'parent Company') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2019 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the parent Company and the Group which comprise:

- the consolidated Statement of Comprehensive Income;
- the consolidated and parent Statements of Financial Position;
- the consolidated Cash Flow Statement;
- the consolidated and parent Company Statements of Changes in Equity; and
- the related notes 1 to 28.

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).

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 Group and the parent 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
We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

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 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.

Auditor's 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.

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 Group and of the parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF ANESCO ACQUISITIONCO LIMITED

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 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.

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.

Simon Olsen FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
22 November 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 31 MARCH 2019

	Notes	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
Revenue	3	49,648,509	72,680,902
Cost of sales		(38,559,039)	(54,005,746)
GROSS PROFIT		11,089,470	18,675,156
Amortisation, depreciation and impairment of intangibles	4	(36,152,680)	(8,702,760)
Other administrative expenses		(13,807,171)	(10,114,708)
Administrative expenses		(49,959,851)	(18,817,468)
Other income		-	10,249
OPERATING LOSS	4	(38,870,381)	(132,063)
Loss on disposal of fixed asset investments	28	(271,511)	-
Interest receivable and similar income	8	27,343	259,795
Interest payable and similar expenses	9	(13,749,259)	(9,435,878)
LOSS BEFORE TAXATION		(52,863,808)	(9,308,146)
Tax credit on loss	10	2,672,839	116,726
LOSS FOR THE YEAR/PERIOD		(50,190,969)	(9,191,420)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

Registered Number 10723411

	Notes		31 March 2019 £		31 March 2018 £
FIXED ASSETS					
Intangible assets	11		71,049,990		105,068,155
Tangible assets	12		29,483,238		1,566,517
			100,533,228		106,634,672
Debtors: amounts falling due after one year	13		325,990		417,121
CURRENT ASSETS					
Inventory	14	17,459,335		36,198,249	
Debtors: amounts falling due within one year	15	14,225,276		20,361,078	
Cash and cash equivalents	16	1,693,725		4,728,102	
		33,378,336		61,287,429	
CURRENT LIABILITES					
Creditors: amounts falling due within one year	17	(24,915,915)		(21,825,713)	
NET CURRENT ASSETS			8,462,421		39,461,716
Total assets less current liabilities			109,321,639		146,513,509
Creditors: amounts falling due after one year	18	(161,545,491)		(146,343,200)	
PROVISIONS FOR LIABILITIES					
Deferred taxation	21	(7,158,404)		(9,361,596)	
			(168,703,895)		(155,704,796)
Net liabilities			**(59,382,256)**		**(9,191,287)**
Capital and reserves					
Called up share capital	23		133		133
Profit and loss account	22		(59,382,389)		(9,191,420)
Total equity			**(59,382,256)**		**(9,191,287)**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2019 by:

Chris Mutter
Director

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019
Registered Number 10723411

	Notes	31 March 2019 £	31 March 2018 £
FIXED ASSETS			
Investments	*28*	27	27
CURRENT LIABILITES			
Creditors: amounts falling due within one year	*17*	(11,847)	(13,151)
NET CURRENT LIABILITIES		(11,847)	(13,151)
Total assets less current liabilities		(11,820)	(13,124)
Net liabilities		**(11,820)**	**(13,124)**
Capital and reserves			
Called up share capital	*23*	133	133
Profit and loss account		(11,953)	(13,257)
Total equity		**(11,820)**	**(13,124)**

The profit after tax of the parent company for the year was £1,304 (2018: loss for the period £13,257).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 November 2019 by:

Chris Mutter
Director

CONSOLIDATED CASH-FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

	Year to 31 March 2019	12 April 2017 to 31 March 2018
CASH-FLOWS FROM OPERATING ACTIVITIES		
Loss for the financial period	(50,190,969)	(9,191,420)
ADJUSTMENTS FOR:		
Amortisation of intangible assets	6,095,430	8,413,637
Depreciation of tangible fixed assets	1,729,010	289,123
Impairment of intangible fixed assets	28,328,240	-
Net interest payable	13,721,916	9,176,083
Taxation	(2,672,839)	(116,726)
(Increase)/decrease in inventory	(2,821,321)	25,115,466
Decrease/(increase) in debtors	6,463,598	(6,293,347)
Decrease in creditors	(4,313,724)	(37,676,438)
Corporation tax received	1,831,224	1,138,895
Interest paid	(2,685,081)	(1,847,119)
Movement on provisions	(2,203,192)	-
Net cash used in operating activities	(6,717,708)	(10,991,846)
CASH-FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	(405,505)	(677,226)
Purchase of tangible fixed assets	(8,085,496)	(178,379)
Net cash acquired from transactions with subsidiary undertakings	-	14,128,447
Net cash (used in)/generated by investing activities	(8,491,001)	13,272,842
CASH-FLOWS FROM FINANCING ACTIVITIES		
Issue of ordinary shares	-	133
Debt facilities drawn	12,256,832	32,499,809
Debt facilities repaid	(82,500)	(30,052,836)
Net cash generated by financing activities	12,174,332	2,447,106
Net (decrease)/increase in cash and cash equivalents	(3,034,377)	4,728,102
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	**4,728,102**	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	**1,693,725**	**4,728,102**

During the year, certain assets held for sale within inventory were reclassified as fixed assets where management felt that they were to be retained for income generation. Of these assets, £21,560,235 was previously shown as a reduction in operating cashflow which will not unwind through the operating cashflows going forward.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

Consolidated statement of changes in equity

	Called up share capital	Profit and loss account	Total equity
	£	£	£
On incorporation 12 April 2017			
Share capital issued in the period	133	-	133
Loss for the period	-	(9,191,420)	(9,191,420)
At 31 March 2018	133	(9,191,420)	(9,191,287)
Loss for the year	-	(50,190,969)	(50,190,969)
At 31 March 2019	133	(59,382,389)	(59,382,256)

Company statement of changes in equity

	Called up share capital	Profit and loss account	Total equity
	£	£	£
On incorporation 12 April 2017			
Share capital issued in the period	133	-	133
Loss for the period	-	(13,257)	(13,257)
At 31 March 2018	133	(13,257)	(13,124)
Loss for the year	-	1,304	1,304
At 31 March 2019	133	(11,953)	(11,820)

1. ACCOUNTING POLICIES

1.1 General information and basis of accounting

Anesco AcquisitionCo Limited (the Company) is a private Company limited by shares incorporated on 12 April 2017, in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Strategic Report on pages 3 to 10.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Anesco Acquisitionco Limited is pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling.

Anesco AcquisitionCo Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

In accordance with s408 of the Companies Act 2006, the exemption has been taken from presenting the Company only Statement of Comprehensive Income.

1.2 Basis of preparation of statutory financial statements

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

The preparation of statutory financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 2).

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March each year; the results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

1. ACCOUNTING POLICIES (continued)

1.3 Going concern

The continued development of the subsidy free market for renewables and the ongoing balancing of renewable supply and regular peak demand is becoming ever harder for National Grid. The Group is well positioned strategically in solar and storage markets as both a developer and owner of sites. Based upon the Group's available facilities, provided through the parent's financing company, and expected future trading results combined with its strong order book, the Directors believe that the Group is well placed to manage its business risks successfully.

At the year end, the Group maintained lending facilities with its owners which are not fully drawn, for the purpose of funding the Group's development of sites and pipeline. A letter of support has been provided from the Alcentra investment funds, as both the debt holders and shareholders in the ultimate holding Group, confirming the Group is not required to comply with specific covenants and confirming that funding will not be withdrawn, for a period of 12 months from the date of signing these financial statements.

In addition to annual yearly forecasts prepared on a timely basis and reviewed against actual performance throughout the year, the Board manages the Group using detailed financial cash flows that are updated regularly. These forecasts have been reviewed in depth by the Board, against the backdrop of cost saving initiatives, Brexit and the principal risks detailed on page 6 of this report, and indicate that the Group has sufficient financial resources to settle its obligations as they fall due.

The Board therefore believes that it is appropriate to continue to adopt the going concern basis in preparing the financial statements of the Group.

1.4 Revenue

Revenue is the fair value of consideration received or receivable between knowledgeable, willing parties in an arm's length transaction. It is not recognised if the Group retains significant risks and rewards of ownership, for example where the Group either continues managerial involvement to the degree usually associated with ownership or retains effective control over the goods sold. Revenue is recognised only upon the transfer of the risks and rewards of ownership.

The following criteria must also be met before revenue is recognised:

Construction Contracts
This is a contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. For contract revenues to be recognised, a buyer must be identified, be of independent economic substance and committed to complete the purchase of the project under construction such that the risks and rewards associated with the sale have passed to the Buyer.

When the outcome of a construction contract can be estimated reliably, the Group recognises contract revenue and contract costs associated with the construction contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

Stage of completion of the contract is determined by the percentage of the build completed.

1. ACCOUNTING POLICIES (continued)

1.4 Revenue (continued)

Goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction. Legal title to the goods sold does not finally transfer to the purchaser until consideration is fully paid; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract or the pattern of service delivered under the contract when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 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 the Group's share 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 over its useful economic life of 10 years. Goodwill is reviewed for impairment annually by the Directors, along with the term of the estimated 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. They are amortised on a straight-line basis:

Goodwill	-	20 Years
Technology	-	10 – 25 years
Customer Relationships	-	15 – 20 years
Brand	-	20 years
Orderbook	-	1 – 3 years

Development costs are capitalised within technology and relate to the development of the operating and maintenance monitoring systems within Anesco Limited.

1. ACCOUNTING POLICIES (continued)

1.6 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 to allocate the cost of assets less their residual value over their estimated useful lives, on a straight-line basis. Depreciation is provided on the following basis:

Long-term leasehold property	-	10 years
Plant and machinery	-	3 years
Fixtures and fittings	-	10 years
Computer equipment	-	3-10 years

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 the Statement of Comprehensive Income.

The business holds operational assets within inventory where the intention is to sell them. Where the opportunity has not arisen for sale within one year or later, management reassess the situation and, where the asset is to be retained, reclassify and transfer those assets to property, plant and equipment within fixed assets. Depreciation on these operational assets used by the business over the long term is charged so as to allocate the cost of the assets less their residual value over the estimated useful lives using the straight-line method.

Depreciation is provided on the following basis:

Battery cells	7-10 years
Battery Storage installations	20-30 years (life of the lease)
PV Solar installations	20-30 years (life of the lease)

1.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term.

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

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the period to the first market rent review rather than the term of the lease. FRS 102 was adopted for the period commencing 1 April 2015.

1. ACCOUNTING POLICIES (continued)

1.8 Inventory and work in progress

Inventory is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, inventory is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 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.

1.10 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.

1.11 Financial instruments

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

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

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

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments (continued)

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when; a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments

In the Group balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Group are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

(iv) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. Where quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

(v) Hedge accounting

The Group does not apply hedge accounting.

1. ACCOUNTING POLICIES (continued)

1.12 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.

1.13 Finance costs

Finance costs are charged to the Profit and loss Account 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.

1.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Profit and loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

1.15 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

1.16 Borrowing costs

All borrowing costs are recognised in the Profit and Loss Account in the period in which they are incurred.

1.17 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 the Profit and Loss Account 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.

1. ACCOUNTING POLICIES (continued)

1.18 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 Group and the Company operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

1.19 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.20 Foreign currency translation

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

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

2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 1, 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.

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provisions
When evaluating inventory and debtors for recoverability risk, the Directors use their knowledge and experience to determine the provision required. When evaluating the impact of potential liabilities arising from claims against the Group, the Directors use their knowledge and experience and where necessary, take legal advice to assist them in arriving at their estimation of the liability taking into account the probability of the success of any claims and also the likely development of claims based on recent trends.

Key source of estimation uncertainty
The Group does not have any major sources of estimation uncertainty that, if revised, would result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill
Determining whether goodwill is impaired requires the Directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, an impairment loss may arise.

3. REVENUE

	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
ECO	17,657,397	26,332,865
Major Projects	15,220,290	36,651,090
C&I	3,324,553	1,636,164
Anescometer	9,433,338	8,060,783
Asset Management	4,012,931	-
	49,648,509	72,680,902

All revenue arose in the United Kingdom of which £36,202,240 (2018: £64,620,119) was from the sale of goods, the balance being from rendering of services. Contract revenue recognised in the year was £18,544,843 (2018: £38,287,254).

4. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
Hire of plant and machinery - operating leases	194,965	247,346
Hire of property - operating leases	358,981	282,640
Depreciation of tangible fixed assets (note 12)	1,729,010	289,123
Amortisation of intangible assets, including goodwill (note 11)	6,095,430	8,413,637
Impairment of intangible assets (note 11)	28,328,240	-
Loss on disposal of fixed asset investments (note 28)	271,511	-
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts (note 5)	166,304	200,000
Exchange differences	179,724	(320,937)
Defined contribution pension cost (note 24)	172,129	142,762

5. AUDITOR'S REMUNERATION

	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	166,304	200,000
Total audit fees	**166,304**	**200,000**

Fees payable to the Group's auditor and its associates for other services to the Group:

Taxation compliance services	60,760	53,350
Other taxation advisory services	51,250	41,770
All other assurance services	36,320	7,810
Total non-audit fees	**148,330**	**102,930**

6. EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
Wages and salaries	8,492,820	6,799,979
Social security costs	611,461	551,860
Cost of defined contribution pension scheme	172,129	142,762
	9,276,410	7,494,601

The average monthly number of employees, including the Directors, during the year and analysed by category was as follows:

	Year to 31 March 2019 No.	12 April 2017 to 31 March 2018 No.
Operations	141	138
Support	29	30
Directors	4	4
	174	172

7. DIRECTORS' REMUNERATION

	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
Directors' emoluments	511,179	416,577
Sums paid to third parties in respect of Directors' services	519,403	422,842
Social security and other contributions	62,057	77,040
	1,092,639	916,459

During the year, retirement benefits were accruing to 3 Directors (2018: 4) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £552,248 (2018: £451,878).

The highest paid Director is a member of the Groups's defined contribution pension scheme, and during the year £1,500 of contributions were paid on his behalf into the scheme by the Group.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
Other interest receivable	27,343	259,795

9. INTEREST PAYABLE AND SIMILAR EXPENSE

	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
Bank and other interest payable	-	658,866
Interest payable in relation to loans with equity holders	13,749,259	8,777,012
	13,749,259	9,435,878

10. TAXATION

	Year to 31 March 2019 £	12 April 2017 to 31 March 2018 £
Current tax		
UK corporation tax on losses for the year/period	-	527,140
Adjustment in respect of previous periods	(469,651)	-
Total current tax	(469,651)	527,140
Deferred tax		
Origination and reversal of timing differences	(2,052,164)	(641,286)
Adjustment in respect of previous periods	(208,018)	-
Effect of changes to tax rates	56,994	(2,580)
Total deferred tax	(2,203,188)	(643,866)
TAXATION ON LOSS	(2,672,839)	(116,726)

10. TAXATION (continued)

Factors affecting tax credit for the year/period

The tax assessed for the year (2018: period) is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The calculation is below:

	Year to 31 March 2019	12 April 2017 to 31 March 2018
	£	£
Loss before tax	(52,863,808)	(9,308,146)
Loss multiplied by standard rate of corporation tax in UK of 19% (2018: 19%)	(10,044,124)	(1,768,548)
EFFECTS OF:		
Expenses not deductible for tax purposes	1,731,421	223,847
Income not taxable	-	(279,198)
Adjustments from previous periods	(677,669)	45,780
Tax rate charges	56,994	466,855
Depreciation on ineligible assets	-	(208)
Gains/rollover relief	-	62,276
Effects of group relief	-	25,927
Deferred tax not recognised	6,260,539	1,106,543
TOTAL TAX CREDIT FOR THE YEAR/PERIOD	(2,672,839)	(116,726)

The corporation tax rate in the United Kingdom is due to fall to 17% from 1 April 2020. The reduction to 17% was announced in the 2016 Finance Bill and replaced a previous reduction to 18% that was part of the Finance No 2 Act 2015.

Deferred tax on losses and non-trading timing differences of £3,099,515 (2018: £2,122,237) is not recognised in the financial statements due to uncertainty over future utilisation.

11. INTANGIBLE ASSETS

	Goodwill	Technology	Customer Relationships	Brand	Order book	Assets under construction	Total
	£	£	£	£	£	£	£
Cost or valuation							
At 1 April 2018	54,073,566	6,828,139	35,410,000	14,125,000	3,045,087	-	**113,481,792**
Additions	-	106,620	-	-	-	298,885	**405,505**
At 31 March 2019	54,073,566	6,934,759	35,410,000	14,125,000	3,045,087	298,885	**113,887,297**
Amortisation and impairment							
At 1 April 2018	2,474,981	396,248	1,849,925	647,396	3,045,087	-	**8,413,637**
Charge for the year	2,758,660	612,420	2,018,100	706,250	-	-	**6,095,430**
Charge for impairment	19,837,286	945,186	926,265	6,619,503	-	-	**28,328,240**
At 31 March 2019	25,070,927	1,953,854	4,794,290	7,973,149	3,045,087	-	**42,837,307**
Net book value							
At 31 March 2019	**29,002,639**	**4,980,905**	**30,615,710**	**6,151,851**	-	**298,885**	71,049,990
At 31 March 2018	**51,598,585**	**6,431,891**	**33,560,075**	**13,477,604**	-	-	105,068,155
Remaining UEL (years)	18	9-23	13-18	18	-		

Goodwill arose on the acquisition of the books and records, pre-contract discussions and goodwill of a related business.

Development costs have been capitalised within technology in accordance with FRS102 Section 18 Intangible Assets Other Than Goodwill. They are therefore not treated for dividend purposes as a realised loss.

An impairment loss has been recognised in relation to reduced trading in the year, primarily on the utility scale projects. The assets have therefore been written down to their estimated value in use.

12. TANGIBLE FIXED ASSETS

	Long term leasehold property	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost or valuation					
As at 1 April 2018	450,487	417,947	238,517	748,689	**1,855,640**
Transfer from stock	-	29,276,857	-	-	**29,276,857**
Additions	-	321,608	18,771	28,495	**368,874**
As at 31 March 2019	450,487	30,016,412	257,288	777,184	**31,501,371**
Depreciation					
As at 1 April 2018	51,909	23,539	27,526	186,149	**289,123**
Depreciation	60,083	1,505,423	40,292	123,212	**1,729,010**
As at 31 March 2019	111,992	1,528,962	67,818	309,361	**2,018,133**
Net book value					
As at 31 March 2019	**338,495**	**28,487,450**	**189,470**	**467,823**	**29,483,238**
As at 31 March 2018	**398,578**	**394,408**	**210,991**	**562,540**	**1,566,517**

During the year, management updated its policy on operational assets held for sale in inventory. Where the assets are to be retained and generate income, the inventory is reclassified as a fixed asset and is depreciated thereon.

13. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

During the year, the Group provided energy saving assets to its customers under finance lease arrangements, with lease terms ranging between five and twenty years in duration. The gross investment in the lease by the Group is measured as the aggregate of the minimum lease payments receivable by the Group under the terms of the lease and any unguaranteed residual value accruing to the Group as lessor. At the balance sheet date, the total unguaranteed residual value accruing to the Group as lessor was £nil.

Minimum lease payments receivable by the Group under the terms of the financial leases are as follows:

	2019	2018
	£	£
Later than 1 year and not later than 5 years	194,464	270,227
Later than 5 years	131,526	146,894
Amounts falling due after more than one year	**325,990**	**417,121**
Not later than 1 year (note 15)	86,710	77,673
Total finance lease receivable	**412,700**	**494,794**

14. INVENTORY

	2019	2018
	£	£
Raw materials and consumables	1,106,464	1,252,036
Work in progress	16,352,871	34,946,213
	17,459,335	36,198,249

During the year, management updated its policy on operational assets held for sale in inventory. Where the assets are now to be retained and generate income, the inventory is reclassified as a fixed asset and is depreciated thereon (see note 12).

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	6,379,544	10,683,198
Other debtors	2,437,798	304,623
Corporation tax asset	327,796	-
Prepayments and accrued income	4,993,428	9,295,584
Finance lease receivable < 1 year (note 13)	86,710	77,673
	14,225,276	20,361,078

16. CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash at hand and at bank	1,693,725	4,728,102

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2019 £	Company 2019 £	Group 2018 £	Company 2018 £
Trade creditors	6,537,589	-	5,791,866	-
Amounts owed to group undertakings	-	11,847	-	13,151
Taxation and social security	240,624	-	738,746	-
Accrued interest	4,128,307	-	4,442,755	-
Other creditors	2,298,138	-	3,657,374	-
Loans due in under 1 year (note 19)	8,232,192	-	-	-
Accruals and deferred income	3,479,065	-	7,194,972	-
	24,915,915	11,847	21,825,713	13,151

Amounts owed to group entities are unsecured, interest free and repayable on demand.

18. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019 £	2018 £
Loans (note 19)	161,545,491	146,343,200

19. LOANS

	2019 £	2018 £
Amounts falling due within one year		
Parent company facility (note 17)	8,232,192	-
Amounts falling due between two to five years		
Parent company facility	124,802,178	124,090,700
Other loan	36,743,313	22,252,500
	161,545,491	146,343,200
	169,777,683	146,343,200

The loans are secured against the assets of the Group headed by Anesco Acquisitionco Limited. The loans are held with funds managed by Alcentra and incur interest at a rate of 7.25% plus Libor. The capital for the parent company facility is repayable in two tranches, £8,232,192, which is classified within liabilities due within one year, and the remainder in November 2021. The other loan facility, also with Alcentra funds, is repayable in May 2021.

20. FINANCIAL INSTRUMENTS

	2019	2018
	£	£
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	13,873,814	20,577,707
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(184,794,769)	(168,168,913)

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, accrued income and finance lease receivables.

Financial liabilities measured at amortised cost comprise trade creditors, accrued interest, other creditors, loans, and accruals.

21. DEFERRED TAXATION

	2019
	£
Provision at start of year	9,361,596
Adjustment in respect of prior years	(208,022)
Deferred tax charges utilised during the year	(1,995,170)
Provision at 31 March 2019	7,158,404

	2019	2018
	£	£
Fixed asset timing differences	8,087,058	9,451,558
Short term timing differences	(2,709)	-
R&D expenditure credit	(17,878)	-
Tax losses carried forward	(908,067)	(89,962)
	7,158,404	9,361,596

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

22. RESERVES

There have been no direct charges to the profit and loss account in the period and no dividends have been paid or proposed in relation to the period, in either the Group or Company only financial statements.

23. SHARE CAPITAL

	2019	2018
	£	£
Shares classified as equity		
Authorised, allotted, called up and fully paid		
10,000 (2018: 10,000) A ordinary shares of £0.01 each	100	100
3,317 (2018: 3,317) B ordinary shares of £0.01 each	33	33
	133	133

Rights of A and B ordinary shares
A ordinary shares rank pari passu with regards to dividend payments, distributions arising from winding up of the Company and other distributions. A ordinary shares are entitled to vote in any circumstances. B ordinary shares hold no voting rights. On liquidation or exit the rights of shares are as determined in the Company's Articles of Association.

24. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension charge in the period amounted to £172,129 (2018: £142,762).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	400,686	389,397
Later than 1 year and not later than 5 years	876,911	1,057,858
Later than 5 years	33,320	49,980
Total	1,310,917	1,497,235

26. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemption conferred by the Financial Reporting Standard 102 "Related party disclosures" not to disclose transactions with members of the Group headed by Anesco Acquisitionco Limited on the grounds that 100% of the voting rights in the Group are controlled within that Group and the Group is included in the consolidated financial statements.

Year to 31 March 2019	Purchases and recharges from related parties	Amounts owed to related parties
	£	£
Trading	559,736	52,269

Period to 31 March 2018	Purchases and recharges from related parties	Amounts owed to related parties
	£	£
Trading	405,660	58,071

Trading balances represent unsecured amounts invoiced in respect of goods and services provided between related parties. Trading balances are settled according to normal trading terms. The related parties with which there have been transactions in the current period are Mr S Shine, a company Director, (2018: £127,492) and A Shine, a family member of the Director (2018: £35,333). These transactions are in relation to consultancy services provided to the Group.

The related party transactions disclosed in this note are included in trade creditors (note 17).

27. ULTIMATE PARENT AND CONTROLLING PARTY

The controlling party of Anesco Acquisitionco Limited is a range of funds managed by Alcentra Limited and as such hold direct control of 100% of the issued A share capital of the company.

28. FIXED ASSET INVESTMENTS

	Company 2019 £	Company 2018 £
Cost and carrying value		
At 1 April 2018 and 31 March 2019	27	27

At 31 March 2019, the Company directly and indirectly held the equity of the following subsidiary undertakings. In all cases, the proportion of ordinary shares held in subsidiary undertakings was 100%. The financial statements of Anesco Acquisitionco Limited include the results and financial position of the Group's interests using the equity method of accounting.

Subsidiary Undertakings	Registration Number	Effective Holding	%	Principal Activity	Audit exemption taken
Abingdon Energy Storage Limited **	11216668	Ordinary Shares	100	SPV	S479A Audit Exemption
Albrighton Hybrid Energy Limited **	10650021	Ordinary Shares	100	Dormant	Dormant
Anesco Asset Management Eighteen Limited **	09352177	Ordinary Shares	100	Holding Company	Dormant
Anesco Asset Management Limited **	07597560	Ordinary Shares	100	SPV	S479A Audit Exemption
Anesco Asset Management Sixteen Limited **	09297108	Ordinary Shares	100	Dormant	Dormant
Anesco Asset Management Ten Limited **	08711595	Ordinary Shares	100	Dormant	Dormant
Anesco Asset Management Three Limited **	08440727	Ordinary Shares	100	Holding Company	S479A Audit Exemption
Anesco Asset Management Twenty Three Limited **	09831588	Ordinary Shares	100	Dormant	Dormant
Anesco Battery Solutions Limited **	08612106	Ordinary Shares	100	Trading Company	S479A Audit Exemption
Anesco BidCo1 Limited **	09290605	Ordinary Shares	100	Holding Company	S479A Audit Exemption
Anesco BidCo2 Limited	09290606	Ordinary Shares	100	Holding Company	S479A Audit Exemption
Anesco Biomass 1 Limited **	09391163	Ordinary Shares	100	SPV	S479A Audit Exemption
Anesco Biomass 2 Limited **	09391275	Ordinary Shares	100	SPV	S479A Audit Exemption
Anesco Biomass 3 Limited **	09391572	Ordinary Shares	100	Dormant	Dormant
Anesco Cadland 2 Limited **	08662061	Ordinary Shares	100	Dormant	Dormant
Anesco Community Energy Limited **	10063489	Ordinary Shares	100	Dormant	Dormant
Anesco Domestic Storage Limited **	11500900	Ordinary Shares	100	SPV	S479A Audit Exemption
Anesco FinCo Limited **	09290130	Ordinary Shares	100	Holding Company	S479A Audit Exemption
Anesco Limited **	07443091	Ordinary Shares	100	Trading Company	
Anesco MidCo Limited **	09290524	Ordinary Shares	100	Holding Company	S479A Audit Exemption
Anesco Rooftop Limited **	09426759	Ordinary Shares	100	SPV	S479A Audit Exemption
Anesco South West Renewables PLC **	09351832	Ordinary Shares	100	Trading Company	
Anesco TopCo Limited	09275306	Ordinary Shares	100	Holding Company	S479A Audit Exemption
Anesco WB Solar Limited **	09427294	Ordinary Shares	100	Dormant	Dormant
Breach Farm Energy Storage Limited **	11646096	Ordinary Shares	100	Dormant	Dormant
Brentwood Energy Storage Limited **	11516707	Ordinary Shares	100	Dormant	Dormant
Bristol Community Solar CIC **	09608121	Ordinary Shares	100	Dormant	Dormant
Brook Farm Energy Storage Limited **	10780034	Ordinary Shares	100	SPV	S479A Audit Exemption
Camomile Solar Limited **	09547122	Ordinary Shares	100	Dormant	Dormant
Clayhill Solar Limited **	08662024	Ordinary Shares	100	Trading Company	S479A Audit Exemption
Duddon Solar Limited **	08105383	Ordinary Shares	100	Dormant	Dormant
ESCO Hospital Solutions Limited **	09160150	Ordinary Shares	100	Dormant	Dormant
Feckenham Energy Storage Ltd **	09598280	Ordinary Shares	100	Dormant	Dormant

28. FIXED ASSET INVESTMENTS (continued)

Subsidiary Undertakings	Registration Number	Effective Holding	%	Principal Activity	Audit exemption taken
Anesco GHEB Limited **	08274589	Ordinary Shares	100	Trading Company	S479A Audit Exemption
Anesco GH Limited **	08734485	Ordinary Shares	100	Dormant	Dormant
Hammond Solar Limited **	09608111	Ordinary Shares	100	Dormant	Dormant
Hulley Road Energy Storage Limited **	09427305	Ordinary Shares	100	SPV	S479A Audit Exemption
Ilmer Hybrid Energy Limited **	09579104	Ordinary Shares	100	SPV	S479A Audit Exemption
Larport Energy Storage Limited **	10051203	Ordinary Shares	100	SPV	S479A Audit Exemption
Lascar Battery Storage Limited **	10967468	Ordinary Shares	100	SPV	S479A Audit Exemption
Lovedean Energy Storage Limited **	09547032	Ordinary Shares	100	Dormant	Dormant
Lovedean Energy Storage Two Limited **	09579252	Ordinary Shares	100	Dormant	Dormant
Manor Farm Hybrid Energy Limited **	09579199	Ordinary Shares	100	Dormant	Dormant
Mill Farm Energy Storage Limited **	09352111	Ordinary Shares	100	SPV	S479A Audit Exemption
Needless Hall Energy Storage Limited **	09547029	Ordinary Shares	100	Dormant	Dormant
Newtonwood Energy Storage Limited **	11257609	Ordinary Shares	100	Dormant	Dormant
Partridge Hill Hybrid Energy Limited **	09297114	Ordinary Shares	100	Dormant	Dormant
Radford Solar Two Limited **	10648832	Ordinary Shares	100	Dormant	Dormant
Re-Fin Solar Limited **	08105344	Ordinary Shares	100	Dormant	Dormant
The Paddocks Solar CIC **	09662285	Ordinary Shares	100	Dormant	Dormant
Walworth Energy Storage Limited **	10007854	Ordinary Shares	100	SPV	S479A Audit Exemption

** Held indirectly

All companies within the Group have the registered office at The Green, Easter Park, Benyon Road, Reading RG7 2PQ and all are included with the consolidated financial statements.

During the year, 100% of the share capital of 2 additional companies was acquired for a total cash consideration of £440,101, being £440,100 for Brook Farm Energy Storage Limited and £1 for Lascar Battery Storage Limited, on 25/10/2018 and 12/09/2018 respectively. The net assets of the acquired companies were £101 and a fair value uplift arose on purchase of £440,000, being rights to build, which is categorised as inventory. Both companies' primary activities are the development of renewable energy assets. An additional 3 entities were also registered with Companies House with share capital of £100 each, being Anesco Domestic Storage Limited, Breach Farm Energy Storage Limited and Brentwood Energy Storage Limited.

During the year, one group entity, Rock Energy Storage Limited, which was not owned directly by the Company, was also disposed of for net proceeds of £166,974.22. This resulted in a group loss on disposal of £271,511.