

GREENCOAT CERES LIMITED

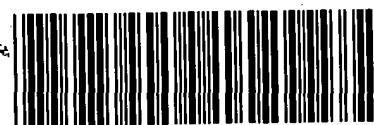
Registration number: 12560162 (England and Wales)

Annual Report and Audited Financial Statements

For the year ended
30 September 2022



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Company information

Registered office

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London
United Kingdom
SW1V 1AN

Registration number

12560162

Directors

M Patel
H A Unwin

Manager

Schroders Greencoat LLP
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London
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Independent Auditor

BDO LLP
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London
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Principal Banker

The Royal Bank of Scotland International
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Strategic report

Introduction

The Directors present the Strategic Report of Greencoat Ceres Limited (the 'Company') for the year ended 30 September 2022. Details of the Directors who held office during the year and as at the date of this report are given on page 3.

Structure

The Company is a private company, limited by shares and was incorporated under the laws of England and Wales on 16 April 2020.

Principal activities

The Company is owned by five shareholders, Greencoat Wilton LP, Greencoat Renewable Income LP, Greencoat Carlisle Place LP, Greencoat Solar I LP and Greencoat Tothill LP, (the 'LPs'), whose purpose is to invest in renewable infrastructure sectors in the United Kingdom which produce and sell power over a long-term horizon.

The Company invests in Special Purpose Vehicles ('SPVs') which hold the underlying assets.

The Manager of the LP is Schroders Greencoat LLP (the 'Manager'), a Financial Conduct Authority regulated entity.

Review of business

The Company's investment is measured at fair value with movements in fair value recognised in the Statement of Comprehensive Income in the period in which they arise.

The Company via its SPVs holds one investment in Sleaford Renewable Energy Plant, a straw fired biomass power plant.

During the year, the asset generation was 6 percent below budget at 287,782 MWh. Power prices during the year were well above budget, primarily reflecting high gas prices. The average N2EX Day Ahead auction price was £203.79/MWh. Overall, the operating profit of the underlying investments was up 14 percent versus budget.

Key performance indicators

The key metrics detailed in the Review of business section above and ESG section below provide information to assess how effectively the Company is meeting its objectives.

Corporate and social responsibility

Environmental, Social and Governance Matters

The directors and Manager strive to maintain the highest standards of corporate governance and effective risk identification and management. The directors and Manager support the recommendations of the Task Force on Climate-Related Financial Disclosures ('TCFD') and refer to them for guidance on addressing climate related risks and opportunities in order to enhance disclosures. These disclosures are categorised between the four thematic areas, as recommended by the TCFD.

Governance

The Directors' and Manager's approach to governance is to manage risk through robust processes and controls, and to ensure best practices are in place to support the growing business. It does this through regular meetings between the directors and the Manager where risk management of the Company and its underlying investment is considered and discussed including ESG and climate-related risks and opportunities. A formal risk matrix is maintained by the Manager and reviewed and approved by the Steering committee on an annual basis.

In addition, the Manager's dedicated ESG committee meets regularly to discuss ESG and climate related risks relating to the Company and other entities it manages. This committee has implemented an ESG Policy that looks to establish best practice in climate related risk management, reporting and transparency.

Strategy

As a Company investing in UK renewable infrastructure, it plays a role in contributing towards the worldwide goal of achieving a net-zero carbon emissions economy.

The directors and Manager monitor climate related risks and appreciate their impact on the Company. More extreme weather patterns arising from global warming have the capacity to damage infrastructure in general, including above ground grid infrastructure. However, it is considered unlikely that damage will be caused to the type of generating equipment owned by the Company. Appropriate insurance against property damage and business interruption is held for any such eventuality, nonetheless. It is possible that the deployment of new renewable generating capacity, required to meet future targets, could reduce the power price achieved by the Company's investment.

Climate risk can be classified into two broad categories: (i) the risks associated with the physical impacts of climate change and, (ii) the risks associated with the transition to a decarbonised economy.

Physical risks may consist of acute physical risk, which can refer to event driven perils, including increased severity of extreme weather events (e.g.: floods/storms) and chronic physical risk, which can refer to longer-term shifts in climate patterns (e.g.: sustained higher temperatures) that cause sea level rise, heat waves, droughts, and desertification. Renewable energy assets need to be resilient to the foreseen extreme weather events and temperatures.

Transition risks refer to policy, legal, reputational, technology and market risks of moving to a decarbonised economy. These can refer to a redistribution of incentives from high to low carbon technologies and markets. Liability may arise with respect to operational greenhouse gas ("GHG") emissions (direct and indirect), and there may also be increased stakeholder and regulatory attention on climate risk disclosures and reporting of GHG emissions facilitated through financial services and other enabling professional services. Not taking adequate steps to address climate change may lead to a higher exposure to transition risk, including reputational damage.

Climate risk assessment requires forward-looking scenario analysis. This can affect the short, medium, and long-term outlook of business value, operations and assumptions. Climate-related risks can be region, location, sector, company and asset specific. Climate risk can be non-linear, systemic, not stationary, (it can lead to the breakdown of an entire system e.g.: food, health, economy) and regressive (disproportionally affecting the poor and vulnerable), which can result in high socioeconomic impacts and shocks. Therefore, climate-related risks may affect most, if not all, of the material sustainability factors in any given sub-sector.

Sudden changes in climate policies, technology or market sentiment could lead to economic dislocation and a reassessment of the value of a variety of assets. A late and abrupt transition to a decarbonised economy could lead to assets suddenly losing value and a rapid repricing of climate-related risks if they are not already sufficiently priced in by market participants. In turn, this could negatively affect the balance sheets of market participants, with potential consequences for financial stability. Changes beyond the levels anticipated by the Manager could have a material adverse effect on the operations and financial performance of the Company and its investments. Furthermore, should these climate risks fail to be identified and mitigated or materially changed, they could have a material adverse effect on the Company.

Please see Table A for risk matrix.

Risk management

As a full scope UK AIFM, the Manager has established a Risk Management Committee that meets on a quarterly basis to discuss, amongst other matters, the risk framework of the Company and investee companies including processes for identifying, assessing and managing climate related risks.

To ensure strong performance, the Company reinforces its specific oversight on environmental and social issues with a range of activities, including:

- appointing at least one director from the Manager to the boards of the investee company to ensure monitoring and influence of both financial and ESG performance;
- carrying out due diligence to ensure that any new outsourced service providers are reputable and responsible organisations;

- carrying out due diligence during the acquisition of new wind farms in accordance with the Manager's established procedures and ESG Framework Policy, and in compliance with the AIFMD Due Diligence Policy; and
- complying with all applicable anti-bribery and corruption, and anti-money laundering laws and regulations and implementing policies to ensure this performance is in line with the policies of the Manager.

The Manager's Investment Committee comprises experienced senior managers. Whilst making investment decisions, due consideration is given to climate related risks as well as to opportunities identified during due diligence.

During the procurement processes of investments, environmental risks are carried out, including flood risk assessments. For certain assets, we will also look at the plant to ensure the design complies with specifics of the geotechnical reports for a site i.e. depth of piles or if the site is in a higher risk flood area appropriate installation of drainage mitigation solutions such as swales and drainage channels, alongside ensuring appropriate coverage from insurance policies. Our risk registers consider climate risks, and we ensure to keep these updated to keep abreast of any climate-related development.

In 2022, the Greencoat Energy Transition team completed a portfolio wide climate scenario modelling assessment on all its bioenergy and heat assets, using an external scenario modelling tool. All the assets assessed were analysed under RCP 2.6 and 8.5 scenarios using the time horizons: 2030, 2050, and 2100. The assets were analysed against eight extreme weather and climate change hazards; Riverine Flooding, Surface Water Flooding, Coastal Inundation, Forest Fires, Extreme Wind, Soil Movement, Freeze-Thaw and Extreme Heat events.

Metrics

Renewable energy generators avoid CO₂ emissions on a net basis at a rate of approximately 0.40 tonnes of CO₂/MWh. This conversion factor may vary depending on geography. In 2022, the asset's CO₂ emission reductions are approximately 126,730 tonnes per annum. The asset is also generating sufficient electricity to power 109,250 homes, at 2.9MWh per annum per home in the UK.

The third party operations and maintenance ("O&M") service providers report to the Manager's asset on a monthly basis on a standard set of KPIs and qualitative factors, such as health and safety compliance of O&M providers, compliance with relevant laws and regulations, local community engagement and habitat management, where relevant. These KPIs are disclosed annually in the Manager's ESG report. The Manager adopts a balanced and proportionate approach to the disclosure of ESG events to investors and, if appropriate, communicates significant incidents as they occur. Any material ESG incidents are communicated to the Directors and Manager, where it is assessed and decided whether to communicate to investors.

KPI data is sourced directly from the Special Purpose Vehicles ("SPVs") and supplemented by specialist external advisers such as environmental consultants, as required.

Emissions disclosures

The Company's Scope 1, Scope 2 and Scope 3 greenhouse gas emissions are disclosed below. Scope 3 emissions data for the year ended 30 September 2021 was not available as it had not been assessed by the Manager.

	Year ended 30 September 2022	Year ended 30 September 2021
Scope 1 – Direct emissions (tonnes CO ₂)	13,888	249
Scope 2 – Indirect emissions (tonnes CO ₂)*	-	224
Scope 3 – Indirect emissions (tonnes CO ₂)	20,395	Not available
Total Scope 1, 2 and 3 emissions (tonnes CO₂)	34,283	473

*The underlying investment did not import any electricity for the year ended 30 September 2022, but used energy produced on site. As this energy is classed as a renewable source, under the GHG Protocol, this is considered to have zero scope 2 emissions. For year ended 30 September 2021, there was some import electricity and as a result scope 2 emissions were reported.

Carbon footprint indicators are measured in line with the industry standard GHG Protocol based on an equity control approach, meaning emissions from the Company's operations are weighted according to the SPVs' ownership interest. Scope emissions calculations will be verified by third party consultants. The sustainability indicators are subject to an annual review to ensure that the Manager continues to improve transparency on ESG matters.

Scope 3 emissions are the result of activities from assets not owned or controlled by the Company, but that the Company indirectly impacts in its value chain. Scope 3 emissions include all sources not within the Company's Scope 1 and 2 boundary and include, inter alia, emissions arising from the construction of assets acquired in the year, including those emissions associated with the manufacturing and transport of all equipment and material, before the asset was commissioned.

Targets

The Manager has set a commitment to cut scope 1 and 2 emissions intensity by 50% by 2030, using 2022 as a baseline. In 2022, the Manager standardised the carbon footprints of the funds it manages by following a consistent methodology across all our companies, to ensure that figures are consistent going forward in net zero trajectories.

Table A – Climate related risks

Transition risks	Policy and legal	Technology	Market	Reputation
Short term (1-3 years)	Increased carbon and climate-related regulations and associated compliance costs.			<ul style="list-style-type: none"> We only expect renewable energy to become more important along road to a net-zero economy. Thus, we do not believe there are reputational risks which would impact the Company through the investment strategy. Failing to disclose against regulatory ESG standards, such as the TCFD, could carry reputational risk. We mitigate this

			through ensuring our ESG Committee is monitoring compliance with Manager's ESG policy and horizon scanning for ESG regulatory developments.
Medium term (4-10 years)	<ul style="list-style-type: none"> • Retrospective changes to the financial support of renewable energy. Change of UK Government, or change in UK Government direction regarding renewable energy, could lead to future unfavourable renewable energy policies. Unfavourable renewable energy policies if applied retrospectively to current operating projects, including those in the portfolio, could adversely impact the market price for renewable energy or the green benefits earned from generating renewable energy. Specifically: <ul style="list-style-type: none"> - Renewable Obligation Certificates (ROCs) - Other: embedded benefits, carbon price floor <p>Schroders Greencoat LLP ("IM") mitigates this risk through keeping itself abreast of developments in international support for renewable energy and will assess the impact of any changes and, where possible, respond to these changes when and if they happen. The UK has committed to the concept of grandfathering existing projects with subsidy support i.e., it cannot change support.</p>	<ul style="list-style-type: none"> • Power prices could decline with increased renewable energy capacity. We mitigate this risk through monitoring current and forecasted electricity prices, the market experts in power pricing. The portfolios are full pay-out vehicles and operate a no leverage strategy which manages potential volatility. 	<ul style="list-style-type: none"> • We only expect renewable energy to become more important along road to a net-zero economy. Thus, we do not believe there are reputational risks which would impact the Company through the investment strategy. • Failing to disclose against regulatory ESG standards, such as the TCFD, could carry reputational risk. We mitigate this through ensuring our ESG Committee is monitoring compliance with Manager's ESG policy and horizon scanning for ESG regulatory developments.
Long term	<ul style="list-style-type: none"> • Retrospective changes to the financial support of renewable energy. Change of UK Government, or change in UK Government direction regarding renewable energy, could lead to future unfavourable renewable energy policies. Unfavourable renewable energy policies if applied retrospectively to current operating projects, including those in the portfolio, could adversely impact the market price for renewable energy or the green benefits earned from generating renewable energy. Specifically: <ul style="list-style-type: none"> - ROCs - Other: embedded benefits, carbon price floor <p>Schroders Greencoat LLP ("IM") mitigates this risk through keeping itself abreast of developments in international support for renewable energy and will assess the impact of any changes and, where possible, respond to these</p>	<p>The emergence of commercial scale carbon capture and storage (CCS) could lead to greater requirements to capture carbon at source from emitters. We are investing in a feasibility study at one of our biomass power plants to investigate a carbon capture project on the site. This work includes evaluating technical solutions, offtake opportunities – both for storage or utilisation of the CO₂, engagement with policy makers, local stakeholders, including local authorities and local industries with aligned strategies.</p>	<ul style="list-style-type: none"> • Power prices could decline with increased renewable energy capacity. We mitigate this risk through monitoring current and forecasted electricity prices via the engagement of market experts in power pricing. The portfolios are full pay-out vehicles and operate a no leverage strategy which manages potential volatility. • We only expect renewable energy to become more important along road to a net-zero economy. Thus, we do not believe there are reputational risks facing us. • Failing to disclose against regulatory ESG standards, such as the TCFD, could carry reputational risk. We mitigate this through ensuring our ESG Committee is monitoring compliance with Manager's ESG policy and horizon scanning for ESG regulatory developments.

	changes when and if they happen. The UK has committed to the concept of grandfathering existing projects with subsidy support i.e., it cannot change support.	
		Physical risks
	Acute	Chronic
Short term	Flood risk may disrupt supply chains. To mitigate this risk, flood and weather patterns are assessed on a site-specific basis through competent consultants and equipment providers at the development stage.	<ul style="list-style-type: none"> • Prior to an investment, we will review environmental factors such as flood risk. These are long term obligations which not only have to be complied with in construction, but through the life of the asset. For certain assets, we will also look at the plant to ensure the design complies with specifics of the geotechnical reports for a site i.e., depth of piles or if the site is in a higher risk flood area appropriate installation of drainage mitigation solutions such as swales and drainage channels. • Risks linked to water scarcity (expected to increase in some areas as the biomass energy production process is water-intensive).
Medium term	Flood risk may disrupt supply chains. To mitigate this risk, flood and weather patterns are assessed on a site-specific basis through competent consultants and equipment providers at the development stage.	
Long term	Extreme weather events such as storms, flooding, and heatwaves may disrupt supply chains and hinder maintenance or construction work on projects in the portfolio. Failure to carry out maintenance work can reduce or even stop electrical output, impacting company revenue. We mitigate this risk through keeping supply chains as short as possible and disruption risk managed through strategic spares to improve resilience.	

Principal risks and uncertainties

The principal risks and uncertainties facing the Company and its investee companies, and an explanation of how they are managed are set out below. The Board does not consider the likelihood or impact of these risks to have changed in the year.

Manager

The ability of the Company to achieve its investment objective depends heavily on the experience of the management team within the Manager and more generally on the Manager's ability to attract and retain suitable staff.

Regulation

If a change in Government renewable energy policy was applied retrospectively to current operating projects including those in the Company's investment portfolio, this could adversely impact the market price for renewable energy or the value of the green benefits earned from generating renewable energy. The Government has evolved the regulatory framework for new projects being developed but has consistently stood behind the framework that supports operating projects as it understands the need to ensure investors can trust regulation.

Financing risk

The Company has financed its investments through the issuance of loan notes of £135,731,680 (2021: £140,369,206) which are redeemable on the termination date of 30 September 2034, share capital of £16,778 (2021: £16,778). The Company will finance new investments by issuing further loan notes or allotting additional shares to the LP.

Electricity prices

The wholesale power price received for electricity generated is an important revenue stream. Future cashflows have been modelled using a forecast of power prices published by independent market experts.

Fuel Availability and Prices

The availability and pricing of cereal straw is a key cost for the Company. The shape of the UK's agricultural policy post-Brexit has become clearer through 2022, and aspects of the proposed Environmental Land Management Scheme do have the potential to have an impact on the availability and pricing of cereal straw, but this is very dependent on farmer uptake of the Scheme, which is voluntary. The Manager is actively pursuing measures to mitigate any risk, including diversifying the feedstocks that the plant can accept.

Availability and operating performance

The availability and operating performance of the equipment used on biomass power plant may be impacted by accidents, mechanical failure, grid availability, theft or damage which will directly impact the revenues and profitability of that plant. The Company has limited control over these risks, and accordingly, limited provisions have been made for them. Failures may be the result of a short-term issue or a long-term fundamental failure of one piece of equipment, for example, which could impact returns across the portfolio if there is exposure to a single manufacturer.

All investment undergo significant due diligence prior to acquisition. Operating and maintenance agreements and asset management agreements are put in place to monitor the investment portfolio, which is overseen by the Manager. Insurance coverage is put in place for theft, damage, and business interruption.

Asset life

In the event that the underlying investment do not operate for the period of time assumed or require higher than expected maintenance expenditure to do so, it could have a material adverse effect on the financial performance and position of the investee companies.

The Manager performs regular reviews and ensures that maintenance is performed across the underlying investment portfolio. Regular maintenance ensures that equipment is in good working order to meet its expected life span.

Health and safety and the environment

The operation of underlying investment is subject to health and safety and environmental regulation. A breach of these or an accident could lead to damages or compensation to the extent such loss is not covered by insurance policies, adverse publicity, or reputational damage.

The Company engages an independent health and safety consultant to ensure the ongoing appropriateness of its health and safety policies and procedures. The investee companies have reporting lines ensuring that the Manager is informed of events as soon as possible after they occur.

Outlook

Power prices during the year were well above budget, primarily reflecting high gas prices. The average N2EX Day Ahead auction price was £203.79/MWh (2021: £117.43/MWh). Forward power prices over the period 2023-2026 remain high. High power prices again drove strong cash generation in 2022 and the Company should continue to benefit from strong cash generation over the next few years through its balanced exposure to power prices.

High power prices have inevitably been considered by the Government in the context of balancing the country's fiscal position. The Manager has clarity in relation to the Electricity Generator Levy at a rate of 45 percent of annual average power revenue above an index linked £75/MWh. FITs are excluded from the levy and the Company also benefits from a £10 million annual allowance. The levy applies from 1 January 2023 until 31 March 2028. The levy has been fully modelled and incorporated into the cash flow forecast that underlies the calculation of NAV.


The Government's Review of Electricity Market Arrangements ("REMA") continues, with a second round of consultation expected shortly. The aim of REMA is to accommodate a higher proportion of renewable generation and storage on the electricity network in line with the UK's target to decarbonise the electricity sector by 2035.

The ultimate market design is thus expected to be supportive for the Company's portfolio and for further investment opportunities.

Two other key macro themes during the year were high inflation and rising interest rates. Discount rates have been increased reflecting higher interest rates. However, the effect of the increased discount rate has been more than offset by increased inflation given the index linked nature of the portfolio cash flows

In general, the outlook for the Company is very encouraging, with proven operational and financial performance from the existing portfolio combined with a healthy pipeline of attractive further investment opportunities.

By order of the Board

DocuSigned by:

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Minal Patel
Director
19 December 2023

Directors' report

The Directors present their report, together with the financial statements of the Company for the year ended 30 September 2022.

Directors

Details of the Directors who held office during the year and as at the date of this report are disclosed on page 3.

Directors' indemnity

Directors' and Officers' liability insurance cover is in place in respect of the Directors. The Company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the Court.

Except for such indemnity provisions in the Company's Articles of Association, there are no qualifying third-party indemnity provisions in force.

Risks and risk management

The Company is exposed to financial risks such as market risk, credit risk and liquidity risk, and the monitoring of these risks is detailed in note [16] to the financial statements.

Independent auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP (the 'Auditor') will therefore continue in office.

Statement of disclosure to auditor

So far as each of the Directors at the time that this report was approved are aware:

- There is no relevant audit information of which the Auditor is unaware; and
- They have taken all steps they ought to have taken to make themselves aware of any audit information and to establish that the Auditor is aware of that information.

Financial statements

The Board is of the opinion that the financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for the shareholder to assess the performance, strategy and business model of the Company.

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 the auditor's report thereon.

Results and dividends

The results for the year are set out in the Statement of Comprehensive Income on page 18. Income in the year ended 30 September 2022 was £28.8 million (2021: £29.4 million). The strong income was driven by favourable fair value movements of investments which were largely the result of higher electricity prices and inflation.

Dividend payments made during the year amounted to £Nil (2021: £Nil). The Directors do not recommend the payment of any dividends for the year ended 30 September 2022.

Going concern

As at 30 September 2022, the Company had net current assets of £146,618 (2021: £47,232), net assets of £134.15 million (2021: £114.65 million) and had cash balances of £216,838 (2021: £31,527). The Company continues to meet its day-to-day liquidity requirements through its cash resources, which are managed via distributions received from the SPV. As at 30 September 2022, the Company owed the LP's £135.7 million (2021: £140.4 million) which are redeemable on the termination date of 30 September 2034 as disclosed in note 10.

Thes investment will continue making repayments in the coming year.

The Manager has considered the impact of the Government's windfall tax on UK electricity generators, including renewables. The tax applies to revenue earned on power prices in excess of £75 per MWh, which is higher than the prices that underlying investments require to generate cash surpluses. As a result of this, the Manager does not consider the windfall tax has created any material uncertainty over the assessment of the Company as a going concern.

The Directors and Manager have reviewed the Company's forecasts and projections taking into account foreseeable changes in investment and trading performance, as well as consideration to worse case outcomes, which show that the Company has sufficient financial resources to meet its current obligations as they fall due for a period of at least 12 months from the date of approval of this report.

On the basis of this review, and after making due enquiries, the directors and the Manager have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Likely future developments

The Directors expect the activity and performance of the Company's investee companies to be satisfactory in the forthcoming year and are not aware of any potential circumstance that would adversely affect operations.


Subsequent events

As disclosed in note [18], there were no other material subsequent events.

Inclusion in the strategic report

In accordance with s414C(11) of the Companies Act 2006, the information relating to the principal activities of the Company, a business review and the principal risks and uncertainties of the Company have been included in the Strategic Report.

By order of the Board

DocuSigned by:

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Minal Patel
 Director
 19 December 2023

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice ('UK GAAP') (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and 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 Company and of the profit or loss of the Company for that period.

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


- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- Prepare a Directors' Report and a Strategic Report which comply with the requirements of the Companies Act 2006.

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

The Directors confirm to the best of their knowledge that:

- The financial statements, prepared in accordance with UK GAAP, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- The Directors' Report and the Strategic Report include a fair review of the development and performance of the Company and the position of the Company, together with a description of the principal risks and uncertainties it faces; and
- So far as each Director is aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

By order of the Board

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Minal Patel
 Director
 19 December 2023

Independent auditor's report

Independent Auditor's Report To The Members Of Greencoat Ceres Limited

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Greencoat Ceres Limited ("the Company") for the year ended 30 September 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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 material misstatements in the Strategic Report or the Directors' report.

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

- adequate accounting records have not been kept, 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.

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.

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.

Extent to which the audit was 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 gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with relevant laws and regulations and applicable accounting standards. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was

evidence of bias by the Manager, in particular around the key accounting estimate, being the valuation of the investment portfolio, that represented a risk of material misstatement due to fraud.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements. Our tests included, but were not limited to:

- enquiries of management;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

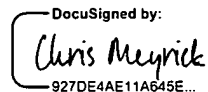
There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the Manager that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

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Chris Meyrick (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
Date: 19 December 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of comprehensive income

	Note	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
Income	[3]	8,052,781	6,668,905
Unrealised gains on investments held at fair value through profit or loss	[6]	20,734,140	22,726,426
Total income		28,786,921	29,395,331
Operating expenses		(45,321)	(193,559)
Operating profit		28,741,600	29,201,772
Interest on shareholder loan	[14]	(9,241,464)	(8,729,472)
Profit on ordinary activities before tax		19,500,136	20,472,300
Taxation	[5]	-	-
Profit on ordinary activities after tax		19,500,136	20,472,300
Profit and total comprehensive income attributable to the shareholder of the Company		19,500,136	20,472,300


The profit and loss account has been prepared on the basis that all operations are continuing operations.

The accompanying notes on pages 22 to 32 form an integral part of these financial statements.

Statement of financial position

		As at 30 September 2022 £	As at 30 September 2021 £
Noncurrent assets			
Investments	[6]	153,116,072	132,381,932
Loan Receivable	[7]	116,620,232	122,591,148
Current assets			
Other receivables	[8]	97,511	44,330
Cash at bank		216,838	31,527
Current liabilities			
Payables	[9]	(167,731)	(28,625)
Non Current liabilities			
Loans and borrowings	[10]	(135,731,680)	(140,369,206)
Net assets/(liabilities)		134,151,242	114,651,106
Capital and reserves			
Share capital	[11]	16,778	16,778
Share premium	[11]	98,937,765	98,937,765
Income account		35,196,699	15,696,563
Shareholder's funds		134,151,242	114,651,106

The financial statements on pages 18 to 32 were approved by the Board of Directors and authorised for issue on 19 December 2023 and signed on its behalf by:

DocuSigned by:

 7DD75F10D1804B0...

Minal Patel
 Director

Company registration number 12560162

The accompanying notes on pages 22 to 32 form an integral part of these financial statements.

Statement of changes in equity

	Share capital £	Share premium £	Income account £	Total £
Balance at 1 October 2021	16,778	98,937,765	15,696,563	114,651,106
Profit and total comprehensive income for the year	-	-	19,500,136	19,500,136
Balance at 30 September 2022	16,778	98,937,765	35,196,699	134,151,242

	Share capital £	Share premium £	Income account £	Total £
Balance at 1 October 2020	10,100	59,560,000	(4,775,737)	54,794,363
Issue of shares during the year	6,678	39,377,765	-	39,384,443
Profit and total comprehensive income for the year	-	-	20,472,300	20,472,300
Balance at 30 September 2021	16,778	98,937,765	15,696,563	114,651,106

The accompanying notes on pages 22 to 32 form an integral part of these financial statements.

Statement of cash flows

	Note	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
Net cash from operating activities	[15]	83,735	(156,316)
Cash flows from investing activities			
Return of escrow		-	284,221
Repayment of shareholder loan investments by investee company	[7]	6,423,761	3,678,351
Additional loan provided		-	(105,551,000)
Loan interest received		7,556,805	2,348,378
Net cash generated from investing activities		13,980,566	(99,240,050)
Cash flows from financing activities			
Loans drawn down in the year		-	55,490,558
Loans repaid in the year	[10]	(5,743,096)	(6,126,515)
Loan interest paid in the year		(8,135,894)	(183,486)
Capital contributions		-	39,384,443
Net cash used in financing activities		(13,878,990)	88,565,000
Net increase/(decrease) in cash and cash equivalents during the year		185,311	(10,831,366)
Cash and cash equivalents at the beginning of the year		31,527	10,862,893
Cash and cash equivalents at the end of the year		216,838	31,527

The accompanying notes on pages 22 to 32 form an integral part of these financial statements.

Notes to the financial statements

1. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the year.

Basis of accounting

The financial statements of the Company have been prepared on the historical cost basis, as modified for the measurement of certain financial instruments at fair value through profit or loss, and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

The preparation of these financial statements requires the use of estimates and assumptions that affect the amounts and disclosures in these financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Accounting for subsidiaries

The Directors have concluded that the Company's subsidiaries should be excluded from consolidation as the interests in subsidiaries are held as part of an investment portfolio as defined in paragraph 9.9 (b) of FRS 102 and are measured at fair value with movements in fair value recognised in the Statement of Comprehensive Income in the period in which they arise.

Functional and presentational currency

The financial statements are presented in Sterling (£ or GBP), which is the Company's functional currency.

Foreign currencies

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 the balance sheet date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Going concern

As at 30 September 2022, the Company had net current assets of £146,618 (2021: £47,232), net assets of £134.15 million (2021: £114.65 million) and had cash balances of £216,838 (2021: £31,527). The Company continues to meet its day-to-day liquidity requirements through its cash resources, which are managed via distributions received from the SPV. As at 30 September 2022, the Company owed the LP's £135.7 million (2021: £140.4 million) which are redeemable on the termination date of 30 September 2034 as disclosed in note 10.

This investment will continue making repayments in the coming year.

The Manager has considered the impact of the Government's windfall tax on UK electricity generators, including renewables. The tax applies to revenue earned on power prices in excess of £75 per MWh, which is higher than the prices that underlying investments require to generate cash surpluses. As a result of this, the Manager does not consider the windfall tax has created any material uncertainty over the assessment of the Company as a going concern.

The Directors and Manager have reviewed the Company's forecasts and projections taking into account foreseeable changes in investment and trading performance, as well as consideration to worse case outcomes, which show that the Company has sufficient financial resources to meet its current obligations as they fall due for a period of at least 12 months from the date of approval of this report.

On the basis of this review, and after making due enquiries, the directors and the Manager have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months

from the date of approval of this report. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Investment income

Dividend income is accounted for when the right to receive the dividend is established. Interest income on shareholder loan investments and other income are accounted for on an accruals basis using the effective interest rate method. Income in respect of the provision of management services to the SPVs is recognised on an accruals basis. Provisions are made against income where recovery is considered doubtful.

Gains or losses resulting from the movement in fair value of the Company's investments held at fair value through profit or loss are recognised in the Statement of Comprehensive income in the period in which they arise.

Interest payable and expenses

Interest payable and expenses are accounted for on an accruals basis.

Operating profit

Operating profit is stated after investment acquisition costs but before finance costs.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

At 30 September 2022 and 2021 the carrying amounts of cash, receivables, payables, accrued expenses and short term borrowings reflected in the financial statements are initially measured at transaction price and subsequently held at amortised cost, less any impairment losses.

Financial assets

Financial assets are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets are held at amortised cost or at fair value through profit or loss.

Amortised cost

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as financial assets held at amortised cost. Amortised cost is calculated using the effective interest rate method less any impairment losses. Debtors that are due within one year of the year end are recognised at the undiscounted amount receivable. All debtor balances are held at the undiscounted amount at 30 September 2022.

Fair value through profit or loss

Investments including shareholder loans are designated upon initial recognition as held at fair value through profit or loss as permitted by FRS 102. Gains or losses resulting from the movement in fair value are recognised in the Statement of Comprehensive Income in the year/period in which they arise. Fair value is defined as the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. Fair value is calculated on an unlevered, discounted cashflow basis.

De-recognition of financial assets

A financial asset (in whole or in part) is derecognised either:

- When the Company has transferred substantially all the risks and rewards of ownership; or
- When it has neither transferred nor retained substantially all the risks and rewards and when it no longer has control over the assets or a portion of the asset; or
- When the contractual right to receive cashflows has expired.

Financial liabilities

Financial liabilities are classified according to the substance of contractual agreements entered into and are recorded on the date on which the Company becomes party to such contractual requirements of the financial liability.

All loans and borrowings are initially recognised at cost, being fair value of consideration received, net of any incurred transaction costs where applicable. After initial recognition, all interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Loan balances as at the year-end have not been discounted to reflect amortised cost, as the amounts are not materially different from the outstanding balances. The Company's other financial liabilities measured at amortised cost include trade and other payables and other short-term monetary liabilities which are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability (in whole or in part) is derecognised when the Company has extinguished its contractual obligations, it expires or it is cancelled. Any gain or loss on derecognition is taken to the Statement of Comprehensive Income.

Finance expenses

Borrowing costs are recognised in the Statement of Comprehensive Income in the period to which they relate on an accruals basis.

Share capital

Financial instruments issued by a company are treated as equity if the holder has a residual interest in the net assets of that company. The Company's ordinary shares are classified as equity instruments.

Cash at bank

Cash comprises cash balances held in the bank, and subject to an insignificant risk of changes in value.

Taxation

Tax for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Current tax is charged or credited to the Statement of Comprehensive Income.

A deferred tax asset has not been recognised as it is not considered probable that future taxable profit will be available against which it can be realised. A deferred tax liability has not been recognised in respect of unrealised gains/ (losses) on investments held at fair value as these would be considered non-taxable or disallowable.

2. Critical accounting estimates and judgements

The preparation of financial statements requires the application of estimates and assumptions which may affect the results reported in the financial statements. Estimates, by their nature, are based on both judgement and information available at the time.

Valuation of investment

The estimates and assumptions that may have a significant impact on the carrying value of assets and liabilities are those used to determine the fair value of the investment. The fair value of the investment is based on the discounted values of expected future cash flows, which are subject to certain key assumptions including the useful life of the asset, the discount factors, the rate of inflation, the price at which the power and associated benefits can be sold, the amount of electricity the asset is expected to produce and the price and volume of feedstock.

Assumptions about the useful life of the asset is based on the Manager's estimates of the period over which the asset will generate revenue. These assumptions are periodically reviewed for continued appropriateness. The actual useful life of the asset may be shorter or longer depending on the actual operating conditions experienced by this asset.

The discount factors are subjective. It is feasible that a reasonable alternative assumption could be used that would result in a different value. Discount rates are periodically reviewed taking into account any recent market transactions of a similar nature.

The revenues and expenditure of the investee company are frequently partly or wholly subject to indexation, typically with reference to the Consumer Price Index (CPI) or Retail Price Index (RPI). From a financial modelling perspective, an assumption is usually made that the inflation index will increase at a long-term rate.

The price at which the output from the generating asset is sold is a factor of both wholesale electricity prices and the revenue received from the Government support regimes. Future power prices are estimated using external third-party forecasts which take the form of specialist consultancy reports, which reflect various factors including gas prices, carbon prices and renewables deployment, each of which reflect the UK and global response to climate change. The future power price assumptions are reviewed as and when these forecasts are updated. There is an inherent uncertainty in future wholesale electricity price projection.

In the case of Greencoat Ceres Limited, the volume of electricity produced depends on the capacity factor of the power plant, which is a product of the generation capacity and the availability of the plant.

A high proportion of feedstock for the Sleaford biomass asset is contracted up to five years in advance under fixed prices. Residual risk remains with the Company in the case of 'force majeure' events, including extreme weather events, which may affect the volume of feedstock under these contracts. A proportion of feedstock remains uncontracted for purchase in the "spot" market each year, which is exposed to price risk.

Estimates and judgements are continually evaluated and are based on historical experience of the Manager and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Although the Manager uses its best judgement in estimating the fair value of the investment, there are inherent limitations in any estimation techniques. Future events could also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of the investment, could be material to the financial statements. The financial risk management objectives and policies of the Partnership, including exposure to price risk, interest rate risk, credit risk and liquidity risk are discussed in note 16 to the financial statements.

3. Income

	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
Investment interest income	8,009,650	6,628,905
Other income	43,131	40,000
	8,052,781	6,668,905

4. Operating profit

The operating profit is stated after:

	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
Auditor's remuneration for the audit of the financial statements	13,773	9,500
Movement in fair value of investments	20,734,140	22,726,426

5. Taxation

	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
UK Corporation tax	-	-

The tax assessed for the year shown in the Statement of Comprehensive Income is lower than the standard rate of corporation tax of 19 percent (2021: 19 percent). The differences are explained below:

	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
Profit for the year before tax	19,500,135	20,472,300
Profit for the year multiplied by the standard rate of corporation tax of 19 percent (2021: 19 percent)	3,705,026	3,889,737
Income not taxable including unrealised movement on revaluation of investments	(3,939,487)	-
Expenses not deductible	-	(4,300,302)
Other adjustments	234,461	-
Increase in unrecognised deferred tax asset	-	410,565
Tax charge for the year	-	-

A deferred tax asset of £1,038,278 (2021: £1,038,278) has not been recognised as it is not considered probable that future taxable profit will be available against which it can be realised.

6. Investments

	Loans £	Equity investments £	Total £
Opening balance at 1 October 2021	6,015,320	126,366,612	132,381,932
Unrealised movement in fair value of investments	-	20,734,140	20,734,140
Closing balance at 30 September 2022	6,015,320	147,100,752	153,116,072

	Loans £	Equity investments £	Total £
Opening balance at 1 October 2020	6,015,320	103,889,407	109,904,727
Escrow Returned	-	(249,221)	(249,221)
Unrealised movement in fair value of investments	-	22,726,426	22,726,426
Closing balance at 30 September 2021	6,015,320	126,366,612	132,381,932

The investment made in underlying assets are carried at fair value. The investment is typically made through a combination of loans and equity into the investment vehicle which own the underlying asset(s), and the fair value movements above have been allocated to equity. At the point that the equity carrying value is reduced to nil, further reductions will be allocated against loan investments.

Fair value measurements

FRS 102 requires disclosure of fair value measurement by level. The level of fair value hierarchy within the financial assets or financial liabilities is determined on the basis of the lowest level input that is significant to the fair value measurement. Financial assets and financial liabilities are classified in their entirety into only one of the following three levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

The determination of what constitutes 'observable' requires judgement by the Company. The Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The only financial instruments held at fair value are the instruments held by the Company in the SPVs, which are fair valued at each reporting date. The Company's investments have been classified within level 3 as the investments are not traded and contain unobservable inputs. Due to the nature of the investments, they are always expected to be classified as level 3. There have been no transfers between levels during the year ended 30 September 2022.

Any transfers between the levels would be accounted for on the last day of each financial period.

7. Loans receivable

	As at 30 September 2022 £	As at 30 September 2021 £
Opening balance	122,591,148	16,007,015
Shareholder loans drawn down in the year	-	105,551,000
Escrow Returned	-	(35,000)
Interest capitalised in the year	452,845	4,746,484
Loans repaid in the year	(6,423,761)	(3,678,351)
Closing balance	116,620,232	122,591,148

8. Other receivables

	As at 30 September 2022 £	As at 30 September 2021 £
VAT Recoverable	4,897	-
Due from Related Parties	50,100	20,100
Other income	30,000	20,000
Prepayments and accrued income	12,514	4,230
	97,511	44,330

9. Payables

	As at 30 September 2022 £	As at 30 September 2021 £
Other creditors	(167,731)	(28,625)
	(167,731)	(28,625)

10. Loans and borrowings

	As at 30 September 2022 £	As at 30 September 2021 £
Opening balance	140,369,206	80,000,000
Loans drawn down in the year	-	55,490,558
Interest capitalised in the year	1,105,570	11,005,163
Loans repaid in the year	(5,743,096)	(6,126,515)
Closing balance	135,731,680	140,369,206

The Company issued loan notes to the LP which are redeemable on the termination date of 30 September 2034, and bear interest at a rate of 6.74 percent per annum. Interest is payable quarterly, on 31 December, 31 March, 30 June, and 30 September each year, and any unpaid interest is capitalised on these dates. The loans repaid during the year totalled £5,743,096 (2021: £6,126,515). As at 30 September 2022, the outstanding balance was £135,731,680 (2021: £140,369,206) and loan interest outstanding was £Nil (2021: £Nil).

11. Share capital

Issued	Number of shares issued	Share capital £	Share premium £	Total £
Opening balance – 1 October 2021	1,677,757	0.01	16,778	16,778
Closing balance – 30 September 2022	1,677,757	0.01	16,778	16,778

Issued	Number of shares issued	Share capital £	Share premium £	Total £
Opening balance – 1 October 2020	1,010,000	0.01	10,100	10,100
Issue of shares during the year	667,757	0.01	6,678	6,678
Closing balance – 30 September 2021	1,677,757	0.01	16,778	16,778

12. Financial instruments

	Note	Measured at amortised cost £	Measured at fair value £	Total £
Financial assets as at 30 September 2022				
Investments – Equity	[6]	-	147,100,752	147,100,752
Investments – Shareholder loans	[6]	-	6,015,320	6,015,320
Loans receivable	[7]	116,620,232	-	116,620,232
Other receivables	[8]	97,511	-	97,511
Cash at bank		216,838	-	216,838
		116,934,581	153,116,072	270,050,653

	Note	Measured at amortised cost £	Measured at fair value £	Total £
Financial assets as at 30 September 2021				
Investments – Equity	[6]	-	126,366,612	126,366,612
Investments – Shareholder loans	[6]	-	6,015,320	6,015,320
Loan receivable		122,591,148	-	122,591,148
Other receivables	[7]	44,330	-	44,330
Cash at bank		31,527	-	31,527
		122,667,005	132,381,932	255,048,937

	Note	Measured at amortised cost £	Measured at fair value £	Total £
Financial liabilities as at 30 September 2022				
Payables	[9]	(167,731)	-	(167,731)
Loans and borrowings	[10]	(135,731,680)	-	(135,731,680)
		(135,899,411)	-	(135,899,411)

	Note	Measured at amortised cost £	Measured at fair value £	Total £
Financial liabilities as at 30 September 2021				
Payables	[9]	(28,625)	-	(28,625)
Loans and borrowings	[10]	(140,369,206)	-	(140,369,206)
		(140,397,831)	-	(140,397,831)

13. Unconsolidated subsidiaries

The Directors consider the following investee companies to be subsidiaries of the Company. The Directors have concluded that these subsidiaries should be excluded from consolidation as these interests in subsidiaries are held as part of an investment portfolio.

	Company number	Ownership interest as at 30 September 2022	Ownership interest as at 30 September 2021
CEP Biomass Limited	07640793	100%	100%
Grep 1 Limited	06000706	100%	100%
Lincolnshire Biomass Limited	05908285	100%	100%

14. Related party transactions

The Company has a Management Service Agreement with Grep 1 Limited one of its fully owned operational assets, for which it receives £40,000 per annum rising with RPI for each underlying investment, in relation to management services. During the year, an amount of £43,131 (2021: £40,000) was earned by the Company in respect of these agreements. As at 30 September 2022 there was £30,000 outstanding from the investee companies (2021: £20,000).

As at 30 September 2022, the Company also has a receivable of £50,000 (2021: £20,000) from CEP Biomass Ltd in relation to the latter's working capital.

The Company has issued loan notes on 18 December 2020 to the LP's which are redeemable on the termination date of 30 September 2034, and bear interest at a rate of 6.74 percent per annum. Interest is payable quarterly, on 31 December, 31 March, 30 June, and 30 September each year, and any unpaid interest is capitalised on these dates. During the year, 30 September 2022, total interest incurred amounted to £9,241,464 (2021: £8,729,472). The loans repaid during the year totalled £5,743,096 (2021: £6,126,515). As at 30 September 2022, the outstanding balance was £135,731,680 (2021: £140,369,206) and loan interest outstanding was £Nil (2021: £Nil).

The Company provided shareholder loans to investee companies totalling £116,620,231 (2021: £122,591,148). These loans are repayable on demand and bear interest at rate of 6.74 percent. Interest is repayable quarterly, on 31 December, 31 March, 30 June, and 30 September each year, and any unpaid interest is capitalised on these dates.

15. Reconciliation of cash flows from operating activities

	Note	For the year ended 30 September 2022 £	For the year ended 30 September 2021 £
Profit on ordinary activities before tax		19,500,136	20,472,300
Adjustments for:			
Movement in fair value of investments	[6]	(20,734,140)	(22,726,426)
Interest income		(8,009,650)	(6,628,905)
Investment interest income	[3]	9,241,464	8,729,472
Movement in receivables		(53,181)	62,760
Movement in payables		139,106	(65,517)
Net cash flows generated/(used) from operating activities		83,735	(156,316)

16. Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk. An explanation of those risks is set out below.

Price risk

Price risk is defined as the risk that the fair value of a financial instrument held by the Company will fluctuate. Investments are measured at fair value through profit or loss and are valued on an unlevered, discounted cashflow basis. Therefore, the value of the investments will be (amongst other risk factors, as per notes 2 and 6) a function of the discounted value of their expected cashflows and, as such, will vary with movements in interest rates and competition for such assets.

In relation to the investments, sensitivity analysis indicates that a discount rate increase of 50bp yields a downward adjustment to the fair value of £5.5 million (2021: £6.2 million). Conversely, a discount rate decrease of 50bp yields an upward adjustment to the fair value of £5.7 million (2021: £6.4 million).

The discount factors are subjective and therefore it is feasible that a reasonable alternative assumption may be used resulting in a different valuation for these investments.

Interest rate risk

The Company's interest rate risk on interest bearing financial assets is limited to interest earned on cash. The Board considers that the shareholder loan with the SPV does not carry any interest rate risk as they bear interest at a fixed rate, thereby mitigating the risks associated with the variability of cash flows arising from interest rate fluctuations.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair values of future cashflows will fluctuate because of changes in foreign exchange rates. The Company's financial assets and liabilities are denominated in GBP and substantially all of its revenues and expenses are in GBP. The Company is not considered to be materially exposed to foreign currency risk.

Credit risk

Credit risk is the risk of loss due to the failure of a borrower or counterparty to fulfil its contractual obligations. The Company is exposed to credit risk in respect of shareholder loan investments, accrued shareholder loan interest, cash at bank and other receivables. The Company's credit risk exposure is minimised by dealing with financial institutions with investment grade credit ratings.

The Company has advanced loans to its investee companies. The Board regularly reviews the future cashflows and valuations of the investee companies to gain comfort as to the recoverability of the loans. These loans are intra-group. No balances are past due or impaired. The maximum exposure as at 30 September 2022 was £116,620,232 (2021: £122,591,148).

Liquidity risk

Liquidity risk is the risk that the Company may not be able to meet a demand for cash or fund an obligation when due. The Manager and Board continuously monitor forecast and actual cash flows from operating, financing and investing activities.

17. Controlling party

The directors consider that there is no ultimate controlling party with Greencoat Wilton LP, Greencoat Renewable Income LP, Greencoat Solar I LP, and to Greencoat Carlisle Place LP together holding 100 percent of the shares in the Company.

18. Events after the end of the reporting period

There were no material subsequent events.