Registered Number: 11909110

Consolidated accounts for the
parent company of Godsfield
Solar Limited (12589003)
For the period ending 31/05/21

ANESCO HOLDINGS LIMITED

ANNUAL REPORT AND CONSOLIDATED STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ANESCO HOLDINGS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021

DIRECTORS	Mark Futyan Mark Browning
REGISTERED NUMBER	11909110
REGISTERED OFFICE	The Green Easter Park Benyon Road Reading Berkshire RG7 2PQ
INDEPENDENT AUDITOR	Deloitte LLP Abbots House Abbey Street Reading RG1 3BD

ANESCO HOLDINGS LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

Anesco Holdings Limited is a holding company ("the Company") incorporated in the United Kingdom on 27 March 2019. The Anesco Holdings Limited Group ("the Group") is the group of companies headed by Anesco Holdings Limited. This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Anesco Holdings Limited and its subsidiary undertakings when viewed as a whole.

Our mission is to accelerate the transition to a low carbon future through enabling investment in renewable projects through offering lifecycle services from development and construction to operation, maintenance and optimisation of operational assets. Strong investor sentiment surrounding climate change, together with improving investment returns driven by falling technology costs, are driving increased investment in renewable energy and enabling energy storage, as investors move away from legacy fossil fuel investments seeking more environmentally responsible and attractive investments.

During the year, the board took the decision to dispose of the portfolio of battery storage sites owned by the Group, in order to focus on providing services to our customers, rather than asset ownership. The results of these storage sites are shown as discontinued operations in the Statement of Comprehensive Income and details of the net assets disposed of and proceeds received are shown in note 32. Subsequent to the year ended 31 March 2021 the Group was sold to Aksiom Services Group Limited.

PRINCIPAL ACTIVITIES

The Group's principal activity is the provision of services to accelerate the transition to a sustainable low carbon future by enabling investment in renewables, storage and energy efficiency. The Group provides services across the entire lifecycle of clean energy projects, including the development of utility scale solar and storage sites, the construction of solar and storage both at utility scale and large commercial level, the operation and maintenance of these assets and the optimisation of assets in energy markets. In addition to decarbonising energy production, improvements in energy efficiency are also integral to achieving carbon reduction goals and the Group also supports the UK's leading utilities to meet their obligations in respect of energy efficiency and combatting fuel poverty.

BUSINESS REVIEW

Financial Key Performance Indicators

	Year to 31 March 2021 (£'000)	Year to 31 March 2020 (£'000)
Revenue	63,873	55,159
Gross profit	14,932	14,131
Adjusted EBITDA*	5,282	3,695
(Loss) for the year	(6,335)	(24,870)

* Adjusted EBITDA comprises earnings before interest, tax, depreciation, amortisation, movements on foreign exchange, profit or loss on the share sale of SPVs and exceptional costs, being specific non-recurring items which would otherwise distort the underlying performance of the Group.

The Group increased revenues for the year to £63.9m from £55.2m in the previous year, primarily driven by renewed activity in solar and storage project development and construction. Two energy storage development projects were sold in the year, and solar construction projects were completed in the UK and the Netherlands. The disposal of battery storage assets in July and October 2020 reduced revenues in this segment, but the shortfall (£2.1m) was more than offset by growth in other divisions.

The Group recorded a gross profit for the year of £14.9m (2020: year to 31 March 2020 £14.1m) representing a margin of 23% (2020: year to 31 March 2019 26%). The growth in margin was despite the release of capital from assets and loss of associated revenue. The reduction in gross margin percentage compared to the previous year is predominantly due to the disposals, and to a lesser extent due to the initial COVID-19 lockdowns which limited access to domestic properties for which maintenance services attract higher gross margins. The Group was exposed to the impact of price rises on some raw materials however this did not have a material impact on the gross margin of the Group. No significant debt write offs were required during the year despite the impact of COVID-19 on the wider economy.

As a result of the debt for equity swap in the previous year and the prepayment of £28.7m on remaining debt facilities during the current year enabled by cash generated from asset sales, the interest charge for the year is significantly lower for the current year at £3.8m (2020: year to 31 March 2020 £12.4m). The loss for the year was £6.3m compared to £24.9m in the previous year, primarily due to the impairment recognised in the previous year of £7.5m and the lower interest charges in the current year. After an assessment of the carrying value of intangible and tangible fixed assets at the end of the current year, it was concluded that no further impairment charge was necessary.

Whilst Brexit has impacted the underlying processes for importing goods used for maintenance and construction services, there has been no material impact on the results of the group. The Group was also exposed to the impact of foreign exchange fluctuations on both receipts for projects in the Netherlands and purchases of goods and services denominated in Euros, however these fluctuations also did not have a material impact on the results of the group.

Adjusted EBITDA of £5.3m was £1.6m higher than the previous year, driven by strong underlying trading performance (£0.8m improvement on gross margin compared to the previous year) and lower overheads (Other administrative expenses lower than previous year by £1.1m after one-off adjustments) offset by a decrease in other income (current year £0.3m lower than the previous year after the disposal of the battery asset sites in the current year).

A reconciliation of profit before tax for the year to Adjusted EBITDA is shown below.

	Year to 31 March 2021 (£'000)	**Year to 31 March 2020 (£'000)**
Loss before tax	(6,223)	(25,365)
Depreciation	1,204	2,314
Amortisation	6,092	6,091
Impairment of tangible assets	-	7,482
Net interest payable	3,756	12,370
Loss/(profit) on sale of SPVs	(1,104)	51
Foreign exchange losses/(gains)	20	(18)
EBITDA before one off adjustments	3,745	2,926
Exceptional items	1,089	21
Financing related professional fees	-	178
Director changes	-	156
Costs in relation to expired land options	-	413
Professional fees related to the group sale	447	-
Adjusted EBITDA	5,282	3,695

Exceptional items in the current year are comprised of the costs of rectification works on construction contracts completed in a previous year, fees relating to the group sale process, and provisions for liabilities identified not relating to the underlying trading of the company.

Non-financial Key Performance Indicators

We are safe:
Safety is core to the Group's activities and an important differentiator for our customers. All our processes are aligned to international standards for quality management (ISO 9001), environmental management (ISO 14001) and Health & Safety management (ISO 45001). The Group's Recordable Injury Frequency Rate for the financial year was 0.0 per 200k hours worked, significantly below the industry benchmark of 2.0. We were proud to achieve an 8th consecutive RoSPA Gold Award for our track record in safe operations.

We are one team:
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 regular staff presentations delivered by the executive team, CEO video briefings and use of online collaboration tools. 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 are green:
The Group delivered 26MW of new solar capacity during the year, helping to increase the supply of carbon free electricity. Through our ECO offering we managed the delivery of 114 million ECO scheme units (Lifetime Bill Savings) which is the score used to measure the energy cost savings created by the installation of energy efficiency measures. The installed measures reduce the energy consumption of a domestic property to reduce carbon usage.

We are responsible:
The Group substantially increased its development project pipeline in the year, closing at over 2,000MW of capacity in development. These projects have all been developed in close collaboration with local communities and with biodiversity in mind, despite the limitations on public engagement posted by the COVID-19 pandemic.

We are cutting edge:
The group has developed new workflow capabilities to better manage O&M services across the 1,044MW of solar PV installations under contact. The Group continues to work on further product and IT system development to further improve its service offerings, including revenue optimisation of battery storage assets.

We are focussed:
The group continues to focus on its core strengths in solar PV and battery energy storage. During the year, a joint development agreement was signed with Gresham House for the development and construction of 200MW of solar PV sites. The group has secured £22m of EPC contracts for the coming financial year with a further £91m committed under Joint Development Agreements.

RISK EXPOSURE

The Group is exposed to the following risks. The Group reports on these risks on a regular basis to the Board where the impacts are discussed.

Government Policy & Regulation

A supportive political and regulatory framework is important to the Company's growth agenda. Previous adverse changes such as the removal of Feed in Tariffs and reform of transmission charging impacted the Company's short-term prospects. Going forward, the risk is reduced due to increasing competitiveness of subsidy free renewables as well as increased commitment from government.

The government is committed to meeting legally binding UK carbon targets under the Climate Change Act, which was amended in 2019 to target net zero emissions. In light of the recent fossil fuel power station retirements and nuclear project cost escalation, the government recognises the need for accelerated deployment of renewable energy projects and the associated need for flexibility in the UK.

The ECO scheme does not represent a direct cost to government, instead being an obligation on energy companies to improve the energy efficiency of UK homes, the costs ultimately passing to end consumers. The government reaffirmed its commitment to continue the scheme in the Energy White Paper and Fuel Poverty Strategy.
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), Ofgem and National Grid to influence policy and legislation in the UK.

The wider political landscape, notably in respect of Brexit, has had a limited impact on the Group as the majority of its operations are based in the UK. Projects delivered in the Netherlands during the financial year were not significantly impacted. Specific action has been taken to secure its non-UK supply chain components, most of which are from outside the European Union.

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 materials used for construction and maintenance services. 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. In its ECO division, the business ensures that utility contracts include the flexibility to allow price adjustments in the event of a change in supply side pricing.

2. Credit Risk
The Group's principal financial assets with exposure to credit risk are cash and trade debtors. The credit risk associated with cash is limited as 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 occasionally US Dollars. The majority of payments are received in Sterling, although receipts for construction projects in the Netherlands are in Euro. The imbalance of these transactions 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
During the financial year the Group was exposed to interest rate risk through its loan facility which is priced as LIBOR plus a fixed margin. The facility, and its related interest, was rolled over every 6 months, capitalising the interest accrued, which reduces the mid-term and long-term exposure of the interest rate risk on each roll-over. The Board remained 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.

As part of the sale of the business after the year end the loan facility was fully paid down which eliminated the interest rate risk.

5. Market Price Risk
During the year the Group acquired shares in a fund listed on the London Stock Exchange which exposes the group to market price risk as the market value of these financial instruments will fluctuate over time. The Group disposed of some of these shares based on a favourable market rate being available. The Group continues to monitor the share price in order to identify appropriate opportunities for further disposals which will further reduce the market price risk to which it is exposed.

6. Brexit
During this financial year the Brexit process was completed and the UK formally ended its membership of the EU after a 12 month transitional period. The government entered into new trading arrangements with the EU from the 1st January 2021. Whilst this adds complexity to importing of materials from the EU and the execution of construction contracts in the Netherlands, this is limited to administrative matters. The ability of the Group to expand into adjacent European markets where opportunities have been identified has not been significantly impaired. The risks associated with the new arrangements post Brexit are therefore of limited impact to the Group.

7. COVID-19
Whilst many restrictions have been lifted, the government vaccination programme is still ongoing and the emergence of new variants means that Group is still exposed to financial risks as a result of the COVID-19 pandemic. The group has been impacted in its ability to deliver services which relate to domestic properties, however this has been effectively managed by the Group with no materially adverse impact on the results or prospects of the Group. During the year the majority of employees of the Group have been able to work from home. IT functionality has enabled employees to retain a high level of productivity in this new way of working. The Group benefitted from arrangements with HMRC to defer VAT payments.

FUTURE DEVELOPMENTS

The Group has continued to develop its own pipeline of utility scale solar PV and energy storage projects and has also been successful in tenders for construction services on third party developed sites. The pipeline growth ensures the positioning of the Group for the anticipated uptake in the market in the coming years as technology costs continue to fall and market conditions improve.

Additional long-term contracts for O&M services have been secured, both from self-developed sites and commercial tenders. The Group is continuing to strengthen its service offering in this area, with improved workflow technology being completed during the year and further technological developments to enable predictive maintenance and remote operation in progress.

During the year, the Group continued to develop its asset optimisation capabilities and made senior appointments to strengthen the team. The Group is now able to offer bespoke models and software to help customers maximise the returns on their investment in storage and renewables assets.

The Group continues to provide services to utility companies under the current government ECO scheme, which comes to an end in March 2022. The government has committed to the ECO scheme until at least 2030 as this scheme will play a major part in the transition to net zero. The Group has every expectation that it will continue to play a significant role in assisting utility companies to meet their related obligations once the details of the scheme are released.

The development of the Company'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 Company. At the heart of the Company'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 sale of the Group to Aksiom Services Group Limited on 11 June 2021 allowed the Group to settle loans from its previous shareholders, providing the Group with greater flexibility and improved access to short term funding to enable growth.

GOING CONCERN

The continued growth in renewable energy and associated requirement for balancing and frequency regulation services by National Grid create favourable conditions to deploy the Group's core capabilities in solar PV and energy storage. The continued requirement for further energy efficiency improvements in UK residential buildings similarly supports the ECO business line.

The Group prepares financial forecasts annually which include the following four financial years. These forecasts are reviewed and approved by the Board and reflect the best information available to the divisional heads who are responsible for the delivery of these financial forecasts. The forecast covering the financial year is reviewed against actual performance throughout the year, with detailed commentary being reviewed by the board and action plans being initiated where performance is behind expected levels. Financial forecasts for the 12 month period from the date of issuing this report show that the Group is expected to operate profitably. The Directors have a high degree of confidence in the robustness of these financial forecasts as the Group has already secured contracts for a significant proportion of the gross margin forecast for the next two financial years.

Detailed cash flow forecasts which are based on the financial forecasts, are also prepared by the Group and are subject to regular review by the Board. During the financial year the Board considered these cash flow forecasts against the backdrop of cost saving initiatives, COVID-19, Brexit and the other principal risks detailed in this report. Cash flow forecasts for the 12 month period from the date of issuing this report show that the Group is expected to operate within available cash resources and will be cash generative during that period.

Subsequent to the year end the outstanding loans issued by the Alcentra investment funds were settled fully as part of the group sale transaction and therefore at the point of issuing this report the Group is free of external debt obligations.

Based on the information provided to the Board, including the financial forecasts, detailed cash flow forecasts, sensitivity analysis based on worst-case scenarios and the repayment of external loans after the financial year end, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and as such have continued to prepare the financial statements on a going concern basis.

GOVERNANCE

Corporate governance

Whilst the Group is not required to comply with the UK Corporate Governance Code, we have reported on our Corporate Governance with respect to Board and Committee arrangements by drawing upon those aspects of the UK Corporate Governance Code that we consider to be relevant to the Group.

The Board of Directors

During the financial year the Board was comprised of the Chief Executive Officer, the Chief Financial Officer, two independent non-executive directors and two representatives of the funds managed by Alcentra. The Board met during formal board meetings on a monthly basis throughout the year and corresponded regularly outside of these meetings. Subsequent to the end of the financial year and the sale of the Group to Aksiom Services Group Limited the independent non-executive directors and the representatives of the funds managed by Alcentra resigned from their positions on the board. Whilst this Strategic Report has been issued by the current Board of the Company, the activities described in this report were executed by the Directors who held office during the financial year.

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 Holdings Limited 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 confirm conflicts of interest at each board meeting to ensure they are managed appropriately. The Board of Anesco Holdings Limited 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.

During the financial year, the Directors holding office exercised their duties, having regard to the duties under section 172 of the Companies Act 2006 as they reviewed and considered decisions and governed the company on behalf of its stakeholders through the Anesco Holdings Limited Board.

During the year, the Board reviewed and approved the financial forecasts which cover a period of four years after the end of this financial year. These financial forecasts are based on the direction of the board with regards to the long-term strategy of the business. The Directors make decisions with reference to the longer-term prospects of the Group in mind. For example, during the financial year the Board took the decision to dispose of a number of battery storage sites to third parties, in order to enable the Group to focus on its core service offerings rather than asset ownership which is in line with the long-term strategy of the business. This approach to decision making is consistent with the duty in s172(1)(a) of the Companies Act 2006.

During 2021, Directors continued a programme of quarterly briefings for the entire employee base covering the business performance, strategy, latest initiatives and regulatory updates with additional monthly CEO video messages shared with all staff. The employees were encouraged to ask questions during the sessions and to share their thoughts about the business and the role of the Board. Directors meet regularly with members of the senior leadership team and support the annual talent review. The Board involvement in ensuring that employee's interests are considered in their decision making is aligned to the duty in s172(1)(b) of the Companies Act 2006.

Throughout the year, the Board received reports from the heads the of each business unit on the competitive landscape for their business and the plans in place to respond to the changing market and our customers' demands. Business unit heads also provided regular updates on performance and Customers focus areas which gave the Board insight into client issues and concerns. The competitive landscape and servicing Customers were key focus areas of divisional strategy days which were attended by the Executive Board. Monthly senior leadership team meetings and divisional business reviews include a focus on the relationship of the Group with key suppliers. The updates received by the Directors who attend these meetings have a key focus on the operational resilience of its key suppliers. The involvement of the Directors in these activities to ensure that they provide appropriate support and resources to foster business relationships with suppliers, customers and others demonstrates their commitment to the duties described in s172(1)(c) of the Companies Act 2006.

Anesco is committed to accelerating the transition to a low carbon future as defined in the mission statement which is approved and endorsed by the Board. The Directors are involved in key strategic decisions which impact on the delivery of this mission and the consequential impact on the environment. The Streamlined Energy and Carbon Reporting regulations (SECR) section of this report provides details on the amount of green energy generated from our managed assets. The Board receive regular reports from the Head of Health, Safety and the Environment during Board meetings to ensure that they are aware of, and can respond to, any direct or indirect negative impacts on the environment or community. The support and direction provided by the Board on these matters indicates the priority which the board gives to the requirements of s172(1)(d) of the Companies Act 2006.

The reporting to the Board of Directors includes matters relating to Human Resources, Health, Safety and the Environment and the review and approval of significant policy changes. The Directors analyse and discuss these matters and issue directions to ensure that the business maintains a reputation for high standards of business conduct. Material contracts must be approved by a Director, which ensures that a member of the Board has oversight of all major new business relationships. The Executive Directors are directly involved in the day-to-day activities of the Group and support the business in maintaining appropriate accreditation. The Board's involvement in these matters allows them to ensure that they comply with s172(1)(e) of the Companies Act 2006.

During the financial year the Group was owned by seven funds managed by Alcentra Limited. Brian O'Connell and Alex Walker were investor directors who were members of the Board and were able to provide the insights on Alcentra's views and priorities. Further insight into the views of its shareholders were obtained through regular interactions between the Anesco Chairman and the investment committee of Alcentra. Whilst the Group was owned by seven separate funds, they were all under common management which meant that their interests were consistent. The structure of the Board and the direct involvement with Alcentra enabled the Directors to comply with the duty to act fairly between members of the Company, as required by s172(1)(f) of the Companies Act 2006.

Board Committees

The Board of Anesco Holdings Limited 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 and internal controls. This Committee is chaired by Charles St John, a non-executive Director of Anesco Holdings Limited.

Remuneration and Nominations Committee: The Remuneration and Nominations Committee meets at least twice a year. 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. Remuneration policy is set through regular benchmarking of each position within the Group against the wider market.

ENVIRONMENTAL POLICY

The environmental agenda is central to the Group's mission, that being to accelerate the transition to a sustainable, low-carbon future by enabling investment in renewable storage and energy efficiency.

Recognising the fundamental principle to the protection of the environment which is central both to the products and services offered, as well as recognising responsible business operating standards. Anesco 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 Head of Health, Safety, Environment and Quality (HSEQ), in agreement with the senior management team and sanctioned by the CEO. This is communicated as part of the annual HSEQ Improvement 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: 2015.

The Group is committed to complying with and exceeding all applicable statutory requirements, guidance, and are committed to demonstrate and lead industry best practice to meet environmental targets, preventing pollution to land, air or water in order to meet our mission of a sustainable future. In that context, it seeks:

- Complying with and exceeding all relevant environmental legislation and regulations
- Managing all operations performed by Anesco staff and contractors to ensure our environmental standards are met.
- Preventing pollution to land, air and water and protecting the natural environment
- Setting clear and measurable targets for staff based on the key environmental aspects and potential impacts on the environment. Continuous improvement in our management and mitigation of environmental risks
- Maintaining an effective environmental management system with adequate resource to implement and show continual improvement against the objectives set in the HSE plan.
- Being transparent with stakeholders on our environmental performance and records.
- Seeking innovation in our business processes to minimise fuel consumption.
- Working with our suppliers and contractors to reduce waste caused by packaging and product through initial purchase end-of-life consideration.
- Documenting and communicating this policy, making it available to all staff, ensuring it is understood and implemented, and is available to our interested parties.

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

STREAMLINED ENERGY AND CARBON REPORTING REGULATIONS (SECR)

Managing energy consumption and carbon emissions is something that the Group takes a keen control over with its view that management of energy usage is a key part in addressing climate change and is central to the Group's strategy.

The methodology used to calculate the Group's emissions is based in the "Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance March 2019 (updated introduction and chapters 1 & 2)".

Mandatory Greenhouse Gas Reporting disclosure calculations are based upon the reporting year of 1 April 2020 to 31 March 2021. This greenhouse gas reporting year has been established to align with the financial reporting year.

The Group reports its emissions data using an operational control approach to define the organisational boundary which meets the definitional requirements of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013; in respect of those emissions for which the Group is responsible.

Save as outlined in this report, all material emission sources have been reported on which the Group considers itself to be responsible for. The Group does not have responsibility for any emission sources that are beyond the boundary of operational control.

Building energy use and business car travel data are considered the relevant greenhouse gas emissions for which the Group is responsible.

Anesco's building emissions comprise total mains electricity consumed and an emissions conversion factor has been applied in line with the Department for Business, Energy & Industrial Strategy (BEIS) guidance.

Anesco's transport emissions include business mileage from Anesco owned vehicles and vehicles leased by Anesco. Where available, mileage data was collected via tracking software. BEIS conversion factors were applied to convert mileage to emissions.

Waste disposal & recycling includes general waste and recyclable waste. For landfill, the factors in the table include collection, transportation and landfill emissions. For recycling and combustion, the factors consider transport to an energy recovery or materials reclamation facility only. BEIS conversion factors were applied to convert to emissions.

Intensity Ratio is used to express GHG impact per unit of physical activity (an activity ratio) or unit of economic output (financial ratio). An activity ratio is suitable when aggregating or comparing across businesses that have similar products.

Anesco has taken actions to create energy savings through efficiencies through the following areas. All vehicles are now part of the vehicle tracking system to enable Anesco to determine the number of miles travelled by each vehicle and to help reduce the number of emissions released. Various educational and awareness campaigns were held with employees to reduce the amount of emissions generated.

Anesco's GHG emissions and energy consumption are summarised below:

2021			
	Activities for which the company is responsible involving gas combustion, or fuel consumption for transport purposes:	Energy consumed resulting from buying electricity for own use, including for the purpose of transport:	Total
Annual GHG emissions (in tonnes of carbon dioxide equivalent) within the UK and offshore area:	1702 tonnes CO2	60 tonnes CO2	1762 tonnes CO2
Annual energy consumption (in kWh), within the UK and offshore area	1,891,683 kWh	257,415 kWh	2,149,098 kWh

2020			
	Activities for which the company is responsible involving gas combustion, or fuel consumption for transport purposes:	Energy consumed resulting from buying electricity for own use, including for the purpose of transport:	Total
Annual GHG emissions (in tonnes of carbon dioxide equivalent) within the UK and offshore area:	118 tonnes CO2	59 tonnes CO2	177 tonnes CO2
Annual energy consumption (in kWh), within the UK and offshore area	1,284,653 kWh	236,051 kWh	1,520,704 kWh

As the Group is specifically involved in the construction and management of renewable energy assets as well as the provision of energy efficiency aggregation services the Directors believe that the performance in relation to these activities is relevant to the disclosures surrounding climate change.

Net renewable energy contributed by:	Year to 31 March 2021
Assets under management by the Group	1,044,774 kWh
Lifetime Carbon Savings processed	113,962,525 LTS
Grid scale solar PV constructed during the year	26 MW

OTHER SIGNIFICANT POLICIES

Social Policy

Information is provided regularly by means of email and group collaboration tools, the intranet and both Group-wide and face-to-face meetings (although the latter medium has been limited during the COVID-19 pandemic). The HR Director has provided regular updates on the Group's response to the COVID-19 pandemic and the consequential changes to working environments. Briefings 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.
The Group has made available third-party resources to support wellness, mental health and particularly to assist employees with the impacts of the COVID-19 pandemic. Office attendance policies have been amended and home working facilitated (including the provision of all required equipment) to maximise the safety and well-being of all employees.

The Group takes its responsibility to the wider community seriously, consulting carefully with local communities in relation to all new developments and supporting the communities we impact in our operations, notably our ECO customers who we and our supply chain partners support with measures to alleviate fuel poverty.

Anti-corruption policy

As part of the Group'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 Group.

Supplier payment policy

The Group'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 Group has made reports on the payment practices of the business under section 3 of the Small Business, Enterprise and Employment Act 2015.

STAKEHOLDER RELATIONSHIPS

Shareholders

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 Group 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 Group's product and service offering.

People

The Group 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 Group 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. We have recently refreshed the Group's mission and core values following feedback and input from working groups across all levels of the Group.

Application for employment of disabled persons are always fully considered bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group 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 1 September 2021 and signed on its behalf by:

DocuSigned by:
4012D4239E4C4B6

Mark Futyan
Chief Executive Officer

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report and the financial statements for the year ended 31 March 2021. Financial risk management, employee consultation and future developments have all been included within the Strategic Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual 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 Accounting Practice (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 £6,335k (2020: £24,870k). The Directors do not recommend the payment of a dividend (2020: £nil).

DIRECTORS

Directors who served the Group and Company during the year were:

Kevin Mouatt	Resigned 11 June 2021
Charles St John	Resigned 11 June 2021
Alex Walker	Resigned 11 June 2021
Brian O'Connell	Resigned 11 June 2021
Mark Futyan	
Mark Browning	

Third party indemnity insurance was provided for all Directors of the Group during the financial year 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 (2020 £nil). Charitable donations were made totalling £2,550 (2020: £1,983).

ENERGY AND CARBON DISCLOSURES
The Directors' include the report on the annual quantity of emissions for which that company is responsible within the Strategic Report on pages 9 and 10.

RESEARCH AND DEVELOPMENT ACTIVITIES
The Group has continued to develop its Operation and Maintenance software systems. Further funds were invested during the period to enhance capability for remote asset operation and predictive maintenance.

Anesco's O&M systems 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, control and reporting technology, as well as proprietary trading algorithms to enable the optimisation of energy storage assets. The combination of trading systems and asset control systems facilitates the onboarding of new assets as part of Anesco's new optimisation service. .

Further investment was also made during the period into Anesco's ECO application which streamlines the processing of energy efficiency measure credits. This investment increased capacity, further supplemented by increased human resources.

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
On 11 June 2021 the Group was sold to Aksiom Services Group Limited. The outstanding capex facility shown in these financial statements was fully repaid as part of the sale of the Group.

AUDITOR
The auditor, Deloitte LLP, has expressed its willingness to continue in office and a resolution concerning its reappointment will be put to the Directors at the board meeting approving these financial statements.

This report was approved by the board on 1 September 2021 and signed on its behalf by:

DocuSigned by:
Mark Browning
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Mark Browning
Director

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion
In our opinion the financial statements of Anesco Holdings 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 2021 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 which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent Statements of Financial Position;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 33.

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

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

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

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

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

Other information (continued)
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.

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.

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

We considered the nature of the group's and the parent company's industry and its control environment, and reviewed the group's and the parent company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group's and the parent company's operates in, and identified the key laws and regulations that:
- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's and the parent company's ability to operate or to avoid a material penalty. These included group's and the parent company's operating licence and environmental regulations.

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

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the 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 and the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report
This report is made solely to the group's and the parent 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 group's and the parent 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 group's and the parent company's and the group's and the parent 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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Helen Wildman ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
1 September 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

Registered Number 11909110

	Notes	Continuing Operations Year to 31 March 2021 £'000	Discontinued Operations Year to 31 March 2021 £'000	Consolidated Group Year to 31 March 2021 £'000	Continuing Operations Year to 31 March 2020 £'000	Discontinued Operations Year to 31 March 2020 £'000	Consolidated Group Year to 31 March 2020 £'000
Revenue	3	61,215	2,658	63,873	50,237	4,922	55,159
Cost of sales		(48,171)	(770)	(48,941)	(39,787)	(1,241)	(41,028)
GROSS PROFIT/(LOSS)		13,044	1,888	14,932	10,450	3,681	14,131
Amortisation, depreciation and impairment of fixed assets	4	(6,348)	(948)	(7,296)	(11,752)	(4,136)	(15,888)
Other administrative expenses		(10,167)	(1,229)	(11,396)	(734)	(10,945)	(11,679)
Administrative expenses		(16,515)	(2,177)	(18,692)	(12,486)	(15,081)	(27,567)
Other income		188	-	188	27	465	492
OPERATING PROFIT/(LOSS)	4	(3,283)	(289)	(3,572)	(2,009)	(10,935)	(12,944)
Profit/(loss) on disposal of discontinued operations	32	-	1,104	1,104	-	(51)	(51)
Interest receivable and similar income	8	1	-	1	1	-	1
Interest payable and similar expenses	9	(3,756)	-	(3,756)	(12,371)	(1)	(12,372)
LOSS BEFORE TAXATION		(7,038)	815	(6,223)	(14,379)	(10,987)	(25,366)
Tax charge on loss	10	(112)	-	(112)	505	(9)	496
LOSS FOR THE YEAR		(7,150)	815	(6,335)	(13,874)	(10,996)	(24,870)
Other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(7,150)	815	(6,335)	(13,874)	(10,996)	(24,870)

ANESCO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Registered Number 11909110

	Notes		31 March 2021 £'000		31 March 2020 £'000
FIXED ASSETS					
Goodwill and other intangible Assets	11		59,677		65,483
Tangible assets	12		772		34,522
			60,449		100,005
Debtors: amounts falling due after one year	13		148		242
CURRENT ASSETS					
Inventory	14	2,618		2,312	
Debtors: amounts falling due within one year	15	13,301		18,935	
Investment in equity instruments	20	4,339		-	
Cash and cash equivalents	16	13,463		5,631	
		33,721		26,878	
CURRENT LIABILITES					
Creditors: amounts falling due within one year	17	(9,279)		(11,317)	
Loans payable to shareholders	19	(24,615)		-	
NET CURRENT ASSETS			(173)		15,561
Total assets less current liabilities			60,424		115,808
Creditors: amounts falling due after one year	18	-		(49,567)	
PROVISIONS FOR LIABILITIES					
Provisions	22	(608)		-	
Deferred taxation	21	(6,584)		(6,712)	
			(7,192)		(56,279)
Net Assets			**53,232**		**59,529**
Capital and reserves					
Called up share capital	24		11		10
Share premium	25		144,748		144,711
Profit and loss account	23		(91,527)		(85,192)
Total equity			**53,232**		**59,529**

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 September 2021 by:

DocuSigned by:

Mark Browning

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Mark Browning
Director

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Registered Number 11909110

	Notes		31 March 2021 £' 000		31 March 2020 £' 000
FIXED ASSETS					
Investments	*30*		144,711		144,711
CURRENT ASSETS					
Debtors: amounts falling due within one year	*15*	-		10	
CURRENT LIABILITES					
Creditors: amounts falling due within one year	*17*	(266)		(100)	
NET CURRENT LIABILITIES			(266)		(90)
Total assets less current liabilities			144,515		144,621
Net assets			**144,445**		**144,621**
Capital and reserves					
Called up share capital	*24*		11		10
Share premium	*25*		144,748		144,711
Profit and loss account			(314)		(100)
Total equity			**144,445**		**144,621**

The loss after tax of the parent company for the year was £214k (2020: £100k).

The financial statements for Anesco Holdings Limited company reg no: 11909110 were approved and authorised for issue by the board on 1 September 2021. They were signed on its behalf by:

DocuSigned by:
Mark Browning
6F79F60315314A9

Mark Browning
Director

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021
Registered Number 11909110

Consolidated statement of changes in equity

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 1 April 2019	-	-	(59,382)	(59,382)
Share capital issued in the year	10	-	-	10
Share premium issued	-	144,711	-	144,711
Subsidiary capital reduction	-	-	(941)	(941)
Total comprehensive loss for the year	-	-	(24,869)	(24,869)
At 31 March 2020	10	144,711	(85,192)	59,529
Share capital issued in the year (Note 24)	1	37	-	38
Total comprehensive loss for the year	-	-	(6,335)	(6,335)
At 31 March 2021	11	144,748	(91,527)	53,232

Company statement of changes in equity

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total equity £'000
At 31 March 2019	0	-	-	0
Share capital issued in the year	10	-	-	10
Share premium issued	-	144,711	-	144,711
Total comprehensive loss for the year	-	-	(100)	(100)
At 31 March 2020	10	144,711	(100)	144,621
Share capital issued in the year (Note 24)	1	37	-	38
Total comprehensive loss for the year	-	-	(214)	(214)
At 31 March 2021	11	144,748	(314)	144,445

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

Registered Number 11909110

		Year to 31 March 2021	Year to 31 March 2020
CASH-FLOWS FROM OPERATING ACTIVITIES		**£'000**	**£'000**
Loss for the financial period		(6,335)	(24,870)
ADJUSTMENTS FOR:			
Amortisation of intangible assets		6,092	6,091
Depreciation of tangible fixed assets		1,204	2,314
Impairment of tangible fixed assets		-	7,482
Net interest payable		3,755	12,370
Taxation		(241)	(496)
Movement on provisions		480	-
Profit on disposal of discontinued operations		(1,104)	-
Other income		(188)	-
Operating cash flow before movement in working capital		3,663	2,892
(Increase)/decrease in inventory		(305)	401
Decrease/(increase) in debtors		4,824	(4,985)
Decrease in creditors		(2,244)	(2,198)
Cash generated by operations		5,938	(3,890)
Corporation tax received		-	324
Interest paid		-	(21)
Net cash generated by / (used in) operating activities		**5,938**	**(3,586)**
CASH-FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible fixed assets		(287)	(525)
Purchase of tangible fixed assets		(67)	(1,080)
Disposal of fixed assets		26,861	-
Deferred consideration received for subsidiaries sold in the year		1,102	-
Disposal of equity instruments		2,867	-
Dividend income received		80	-
Net cash generated by / (used in) investing activities		**30,555**	**(1,605)**
CASH-FLOWS FROM FINANCING ACTIVITIES			
Issue of ordinary shares	24	38	-
Debt facilities drawn		-	9,215
Debt facilities repaid		(28,700)	(87)
Net cash (used in)/ generated by financing activities		**(28,662)**	**9,128**
Net increase in cash and cash equivalents		7,832	3,937
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR		**5,631**	**1,694**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	*16*	**13,463**	**5,631**

1. ACCOUNTING POLICIES

1.1 General information and basis of accounting

Anesco Holdings Limited (the Company) is a private company limited by shares incorporated on 27 March 2019, 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 the Company Information page.

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 1 to 12.

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 Holdings 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 Holdings 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 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

Anesco Holdings Limited is a holding company ("Company") incorporated in the United Kingdom on 27 March 2019.

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 2021. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. For the comparative period presented the results, financial position, changes in equity and cashflows have been presented consistently with the prior year financial statements of the Group, which as disclosed in those financial statements, were accounted for using reverse acquisition principles.

Business combinations are accounted for under the purchase method. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

1. ACCOUNTING POLICIES (continued)

1.3 Going concern

As described in the Strategic Report, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and as such consider the Group to be a going concern. 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.

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. ACCOUNTING POLICIES (continued)

1.5 Other income

Other income comprises items of income which do not meet the criteria for recognition as revenue. Other income is recognised in profit or loss at the point at which the Company is able to reliably measure the amounts receivable and that the receipt of the income is probable.

1.6 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 20 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	- 5 – 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.

1.7 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.

1. ACCOUNTING POLICIES (continued)

1.8 *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.

1.9 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.

1.10 Debtors

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

1.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.12 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.

1. ACCOUNTING POLICIES (continued)

1.12 Financial instruments (continued)

(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.

(i) Financial assets and liabilities

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

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.

1. ACCOUNTING POLICIES (continued)

1.12 Financial instruments (continued)

(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.

(vi) Investments in equity instruments

Investments in equity instruments are non-derivate financial instruments that are the equity of an issuer outside of the Group. The equity shares held are publicly traded on the London Stock Exchange and therefore there is a quoted price in an active market which is used for measurement of the instruments at fair value through profit and loss. Net gains from changes in market value and dividends received on equity instruments are recognised in other income.

1.13 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.

1.14 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.

1.15 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. ACCOUNTING POLICIES (continued)

1.16 Interest income

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

1.17 Borrowing costs

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

1.18 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.

1.19 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. ACCOUNTING POLICIES (continued)

1.20 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.

1.21 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 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 key source of estimation uncertainty is in relation to impairment of goodwill as stated below.

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. Further details are given in note 11.

3. REVENUE

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
ECO	31,595	31,255
EPC	14,855	7,691
Development	1,992	756
O&M	12,623	10,426
Optimisation	2,808	5,031
	63,873	55,159

All revenue arose in the United Kingdom, of which £48,442k (2020: £39,702k) was from the sale of goods, the balance being from rendering of services. Contract revenue recognised in the year was £ 16,848k (2020: £8,447k).

4. OPERATING LOSS

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

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
Hire of plant and machinery - operating leases	458	395
Hire of property - operating leases	386	523
Depreciation of tangible fixed assets	1,204	2,314
Amortisation of intangible assets, including goodwill	6,092	6,091
Impairment of tangible assets	-	7,482
Gain / (loss) on disposal of fixed asset investments	(1,104)	51
Gain on fair value movement of investments in equity instruments	108	-
Foreign exchange loss / (gain)	20	(18)
Defined contribution pension cost	159	162

Depreciation of tangible fixed assets and amortization of intangible assets, including goodwill, are included in administrative expenses in the Statement of Comprehensive Income.

5. AUDITOR'S REMUNERATION

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	155	190
Total audit fees	**155**	**190**

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

Taxation compliance services	185	91
Other taxation advisory services	109	152
All other assurance services	10	34
Total non-audit fees	**304**	**277**

6. EMPLOYEES

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

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
Wages and salaries	7,422	7,533
Social security costs	720	435
Cost of defined contribution pension scheme	159	162
	8,301	8,130

The average monthly number of employees, including the Directors, during the year and analysed by category for the group was as follows (the Company has no employees):

	Year to 31 March 2021 No.	Year to 31 March 2020 No.
Operations	134	106
Support	25	38
Directors	3	4
	162	148

7. DIRECTORS' REMUNERATION

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
Directors' emoluments	483	707
Sums paid to third parties in respect of Directors' services	52	446
Social security and other contributions	71	75
	606	1,228

During the year, retirement benefits were accruing to 2 Directors (2020: 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £262,150 (2020: £413,802). The highest paid Director is a not member of the Group defined contribution pension scheme.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
Other interest receivable	1	1

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
Interest payable in relation to loans with equity holders	3,756	12,372

10. TAXATION

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
Current tax		
UK corporation tax on losses for the year/period	241	-
Adjustment in respect of previous periods	-	(49)
Total current tax	241	(49)
Deferred tax		
Origination and reversal of timing differences	(544)	(237)
Adjustment in respect of previous periods	415	(193)
Effect of changes to tax rates	-	(19)
Total deferred tax	(128)	(447)
TAXATION ON LOSS	112	(496)

10. TAXATION (continued)

Factors affecting tax credit for the year
The tax assessed for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The calculation is below:

	Year to 31 March 2021 £' 000	Year to 31 March 2020 £' 000
Loss before tax	(6,223)	(25,365)
Loss multiplied by standard rate of corporation tax in UK of 19% (2020: 19%)	(1,182)	(4,819)
Effects of:		
Expenses not deductible for tax purposes	4,162	2,749
Income not taxable	(3,324)	-
Effects of group relief	-	(53)
Losses where deferred tax not provided	7	3
Impairment of ineligible assets	(2)	311
Adjustments from previous periods	415	(242)
Tax rate charges	4	(18)
Depreciation on ineligible assets	15	537
Deferred tax not recognised	18	1,036
Tax charge on loss	112	(496)

Deferred tax on losses not recognised in the financial statements due to uncertainty over future utilisation is £1,917k 2020: £1,867k).

The current UK corporation tax rate of 19% was set to reduce to 17% from 1 April 2020, however this reduction was reversed in the Finance Bill 2020 (substantively enacted on 17 March 2020). It has been announced that the rate of UK corporation tax will increase to 25% from April 2023.

11. INTANGIBLE ASSETS

	Goodwill	Technology	Customer Relationships	Brand	Order book	Assets under construction	**Total**
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2020	54,074	6,939	35,410	14,125	3,045	820	**114,412**
Restatement	-	308	-	-	-	-	**308**
At 1 April 2020 (as restated)	54,074	7,247	35,410	14,125	3,045	820	**114,721**
Additions	-	284	-	-	-	-	**284**
Transfer	-	820	-	-	-	(820)	**-**
At 31 March 2021	54,074	8,351	35,410	14,125	3,045	-	**115,005**
Amortisation and impairment							
At 1 April 2020	27,880	2,512	6,812	8,679	3,045	-	**48,929**
Restatement	9	299	-	-	-	-	**308**
At 1 April 2020 (as restated)	27,889	2,810	6,812	8,679	3,045	-	**49,236**
Charge for the year	2,705	663	2,018	706	-	-	**6,092**
At 31 March 2021	30,594	3,473	8,830	9,386	3,045	-	**55,328**
Net book value							
At 31 March 2021	**23,480**	**4,878**	**26,580**	**4,739**	**-**	**-**	**59,677**
At 31 March 2020	**26,193**	**4,427**	**28,598**	**5,446**	**-**	**820**	**65,483**
Remaining amortisation period	16 years	21 years	11 to 16 years	16 years	-	-	

The brought forward figures have been restated to correct an understatement of cost and accumulated amortisation in the prior year.

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. Included within Development costs is the O&M workflow asset which has a carrying value of £931k and a remaining amortisation period of 9 years.

The Group tests annually for impairment, or more frequently if there are indications that goodwill might be impaired. The cash flow forecasts are based on the most recent Board approved budget and projections for the next five years.

The key assumptions for the value in use calculations are those regarding the revenue growth rates, discount rates and EBITDA margins. These assumptions are reviewed and revised annually in light of current economic conditions and the future outlook of the Group. The Directors estimate discount rates using pre-tax rates that reflect current market assessments of the time value of money. This has been set at 9.3% per cent (2020: between 9.3% and 16.7% per cent).

The revenue growth rates used in the initial five-year term consider the existing customer base, contracts and revenue commitments, anticipated additional sales to existing and new customers, and specific market trends that are currently seen or expected in the future. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. The average long-term revenue growth rates expected are 2% (2020: 2%).

EBITDA margins are assumed to remain sustainable, an assumption which is supported by historical experience. The average EBITDA margins applied in the projection period is 10% (2020 9%).

Sensitivity analysis
Sensitivity analysis has been independently performed on reasonably possible changes to each of the key assumptions detailed above.

- If forecast revenues were reduced by 20% for each year in the forecast period, assuming consistent gross margin percentages and no change to overheads, the recoverable amount would continue to exceed the carrying amount of goodwill
- If the discount rate was increased up to 16.7% (i.e. an additional risk premium of 7.4% to align to the highest discount rate used in the prior year) then the recoverable amount would continue to exceed the carrying amount of goodwill
- If the average EBITDA margin across the forecast period were to decrease to 5% then the recoverable amount would continue to exceed the carrying amount of goodwill

In each of the sensitivity scenarios described above, the recoverable amount calculated remains higher than the carrying amount of goodwill and therefore the directors have concluded that goodwill is not impaired.

12. TANGIBLE FIXED ASSETS

	Long term leasehold property £' 000	Plant and machinery £' 000	Fixtures and fittings £' 000	Computer equipment £' 000	**Total £' 000**
Cost or valuation					
As at 1 April 2020	720	44,494	257	865	**46,336**
Restatement	525	(58)	247	706	**1,420**
At 1 April 2020 (as restated)	1,244	44,437	505	1,571	**47,756**
Additions	-	10	8	50	**67**
Less Disposals	(644)	(44,353)	-	-	**(44,997)**
As at 31 March 2021	**601**	**93**	**512**	**1,622**	**2,827**
Depreciation and impairment					
As at 1 April 2020	195	11,048	108	463	**11,814**
Restatement	184	393	110	732	**1,420**
At 1 April 2020 (as restated)	379	11,441	219	1,196	**13,234**
Charge for the year	60	970	42	132	**1,204**
Less Disposals	(57)	(12,327)	-	-	**(12,384)**
As at 31 March 2021	**383**	**84**	**261**	**1,328**	**2,055**
Net book value					
As at 31 March 2021	**218**	**9**	**251**	**294**	**772**
As at 31 March 2020	**525**	**33,446**	**149**	**402**	**34,522**

The brought forward figures have been restated to correct an understatement of cost and accumulated amortisation in the prior year.

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:

	2021 £'000	2020 £'000
Later than 1 year and not later than 5 years	18	109
Later than 5 years	130	133
Amounts falling due after more than one year	**148**	**242**
Not later than 1 year	94	90
Total finance lease receivable	**242**	**332**

14. INVENTORY

	2021 £' 000	2020 £' 000
Raw materials and consumables	646	841
Work in progress	1,972	1,471
	2,618	2,312

During the year an impairment loss of £69k was recorded on raw materials and consumables.

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £' 000	Company 2021 £' 000	Group 2020 £' 000	Company 2020 £'000
Trade debtors	7,906	-	7,907	-
Amounts owed by group undertakings	-	-	-	10
Other debtors	2,010	-	3,774	-
Corporation tax asset	-	-	52	-
Prepayments and accrued income	3,291	-	7,112	-
Finance lease receivable < 1 year	94	-	90	-
	13,301	-	18,935	10

16. CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash at hand and at bank	13,463	5,631

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £'000	Company 2021 £'000	Group 2020 £' 000	Company 2020 £' 000
Trade creditors	1,435	-	1,794	-
Taxation and social security	199	-	278	-
Accrued interest	937	-	959	-
Other creditors	4,119	-	3,246	-
Accruals and deferred income	2,589	266	5,040	100
	9,279	266	11,317	100

18. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021 £' 000	2020 £' 000
Loan (note 19)	-	49,597

19. LOANS

	2021 £' 000	2020 £' 000
Loan principal	24,916	50,308
Deferred finance costs	(301)	(741)
Loans payable to shareholders	24,615	49,567
Accrued interest (included within Creditors: amounts falling due within one year)	937	959
Loan principal	24,916	50,308
Total loan outstanding	25,853	51,267

The loan is secured against the assets of the Group headed by Anesco Holdings Limited. The loan is held with funds managed by Alcentra and incur interest at a rate of 7.25% plus Libor. The loan facility as detailed above is repayable in November 2021 (see note 33). During the year repayments of £28,700k were made to the debt holders.

20. FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
FINANCIAL ASSETS		
Financial assets measured at amortised cost:		
Cash and cash equivalents	13,463	5,631
Trade debtors	7,906	7,907
Finance lease receivables	-	90
Guarantees (included within Other Debtors)	1,215	1,842
	22,584	15,470
Financial assets measured at fair value through profit or loss:		
Investments in listed equity instruments	4,339	-
	4,339	-
Financial Assets	26,923	15,470
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost:		
Trade creditors	1,435	1,794
Loans and deferred finance costs	24,699	49,567
	26,134	51,361
Financial Liabilities	26,134	51,361

Guarantees comprise cash deposited with Barclays as security for a guarantee issued by Barclays in respect of a construction contract.

21. DEFERRED TAXATION

	2021 £'000
Provision at start of year	6,712
Adjustment in respect of prior years	415
Deferred tax charges utilised during the year	(543)
Provision at 31 March 2021	6,584

	2021 £'000	2020 £'000
Fixed asset timing differences	6,591	7,465
Short-term timing differences	(67)	(19)
R&D expenditure credit	-	(31)
Tax losses carried forward	60	(705)
	6,584	6,712

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. PROVISIONS

	2021	2020
	£'000	£'000
At 1 April	-	-
Charged to profit and loss account	608	-
At 31 March	608	-

The provision relates to warranty costs in respect of the battery storage assets disposed of during the year. The obligation was settled subsequent to the end of the financial year at the amount provided for.

23. PROFIT AND LOSS ACCOUNT

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.

24. SHARE CAPITAL

	2021	2020
	£'000	£'000
Shares classified as equity		
Authorised, allotted, called up and fully paid		
10,000 (2020: 10,000) A ordinary shares of £1 each	10	10
1,000 (2020: 0) B ordinary shares of £1 each	1	-
	11	10

During the year, the Company issued 1,000 B ordinary shares of £1 each at a premium of £37 per share. Aggregate nominal value of the shares was £1,000 and aggregate consideration received was £38,000.

Rights of ordinary shares
Both A ordinary and B ordinary shares rank pari passu with regards to voting rights. The shares are not redeemable. In the event of a sale of the group the A ordinary shares and B ordinary are entitled to the proceeds of the sale as specified in the Particulars of variation of rights filed at Companies House on 16 March 2021.

25. SHARE PREMIUM

In the prior year, share premium of £144,718k arose within the Group following a debt for equity swap. During the current year additional share premium of £37k arose on the issue of 1,000 B ordinary shares.

26. 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 £159k (2020: £ 162k).

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

27. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2021 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £,000
Not later than 1 year	488	395
Later than 1 year and not later than 5 years	1,080	548
Later than 5 years	17	17
Total	1,585	960

28. 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 Holdings 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.

Other transactions with related parties comprise remuneration of directors (as disclosed in note 7) and changes in the loan held with funds managed by Alcentra (as disclosed in notes 9 and 19). Key management for the Company and the Group are deemed to be the CEO and CFO who are also directors and therefore their remuneration is already disclosed in note 7.

29. ULTIMATE PARENT AND CONTROLLING PARTY

Following the sale of the Group to Aksiom Services Group Limited on 11 June 2021, the immediate parent company is Quanesco Bidco Limited and the ultimate parent company is Quanesco Topco Limited. The ultimate parent company is owned by Aksiom Services Group Limited, a Limited Partnership registered in Ireland.

30. FIXED ASSET INVESTMENTS

	Company 2021 £'000	Company 2020 £'000
Cost and carrying value		
At 1 April 2020 and 31 March 2021	144,711	144,711

At 31 March 2021, 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 Holdings 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
Anesco Asset Management Limited **	07597560	Ordinary Shares	100	SPV	S479A Audit Exemption
Anesco Asset Management Three Limited **	08440727	Ordinary Shares	100	Holding Company	S479A Audit Exemption
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 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 South West Renewables PLC **	09351832	Ordinary Shares	100	Trading Company	
Anesco TopCo Limited	09275306	Ordinary Shares	100	Holding Company	S479A Audit Exemption
Brentwood Energy Storage Limited **	11516707	Ordinary Shares	100	Dormant	S479A Audit Exemption
Brook Farm Energy Storage Limited **	10780034	Ordinary Shares	100	SPV	S479A Audit Exemption
Anesco GHEB Limited **	08274589	Ordinary Shares	100	Trading Company	S479A Audit Exemption
Anesco GH Limited **	08734485	Ordinary Shares	100	Dormant	S479A Audit Exemption
Ilmer Hybrid Energy Limited **	09579104	Ordinary Shares	100	SPV	S479A Audit Exemption
Mill Farm Energy Storage Limited **	09352111	Ordinary Shares	100	SPV	S479A Audit Exemption
Newtonwood Energy Storage Limited **	11257609	Ordinary Shares	100	Dormant	S479A Audit Exemption
Anesco TopCo Limited	09275306	Ordinary Shares	100	Holding Company	S479A Audit Exemption
Low Farm Solar Limited	12591305	Ordinary Shares	1	Dormant	S479A Audit Exemption
Siddington Solar Limited	12589024	Ordinary Shares	1	Dormant	S479A Audit Exemption
Godsfield Solar Limited	12589003	Ordinary Shares	1	Dormant	S479A Audit Exemption

** Held indirectly

30. FIXED ASSET INVESTMENTS (Continued)

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.

For entities that have taken S479A above Anesco Holdings Limited has provided a parent company guarantee over the liabilities of each of these subsidiary companies, pursuant to section 479C of the Companies Act 2006.

During the year the Group disposed of the following subsidiaries via sale to a third party (see note 32):

Clayhill Solar Limited
Larport Energy Storage Limited
Hulley Road Energy Storage Limited
Lascar Battery Storage Limited
Breach Farm Energy Storage Limited
Ancala Energy Storage Limited.

On 4 February 2021 the following subsidiaries were dissolved:

Anesco Asset Management Twenty Three Limited
Anesco Biomass 3 Limited
Anesco WB Solar Limited
Bristol Community Solar CIC
Camomile Solar Limited
ESCO Hospital Solutions Limited
Feckenham Energy Storage Ltd
Hammond Solar Limited
Lovedean Energy Storage Limited
Lovedean Energy Storage Two Limited
Needless Hall Energy Storage Limited
Partridge Hill Hybrid Energy Limited
Radford Solar Two Limited
The Paddocks Solar CIC

On 16 March 2021 the following subsidiaries were dissolved:

Abingdon Energy Storage Limited
Albrighton Hybrid Energy Limited
Anesco Asset Management Eighteen Limited
Anesco Asset Management Sixteen Limited
Anesco Asset Management Ten Limited
Anesco Biomass 1 Limited
Anesco Biomass 2 Limited
Anesco Cadland 2 Limited
Anesco Community Energy Limited
Anesco Rooftop Limited
Duddon Solar Limited
Manor Farm Hybrid Energy Limited
Re-Fin Solar Limited
Walworth Energy Storage Limited

31. RECONCILATION OF NET DEBT

	1 April 2020	Cash flows of the group	Disposal of subsidiaries	Other non-cash changes	31 March 2021
	£'000	£'000	£'000	£'000	£'000
Loans	(49,567)	28,700	-	(3,748)	(24,615)
Cash and cash equivalents	5,631	7,832	-	-	13,463
Net debt	(43,936)	36,532	-	(3,748)	(11,152)

Non-cash changes in loans are comprised of the capitalisation of accrued interest into the principal value of the loan and the unwinding of deferred finance costs.

32. DISPOSAL OF SUBSIDIARIES

During the year, the Group continued to operate the portfolio of sites that it owned (96.5 MW of Battery Storage and Hybrid (Energy Storage and Solar PV) sites) up until the point of disposal of the subsidiaries which held these assets. On 30 July 2020, the Group disposed of its 100% shareholding in Clayhill Solar Limited. On 30 October 2020, the Group disposed of its 100% shareholding in Larport Energy Storage Limited, Hulley Road Energy Storage Limited, Lascar Battery Storage Limited, Breach Farm Energy Storage Limited and Ancala Energy Storage Limited.

The results of these subsidiaries for the period of ownership during the current year and the results for the prior year are shown in the Statement of Comprehensive Income under Discontinued Operations. Net assets disposed of and the related sale proceeds were as follows:

	£'000	£'000
Fixed assets		32,632
Current assets		903
Current liabilities		(796)
Net assets		32,739
Sale proceeds		35,059
Satisfied by:		
Cash and cash equivalents	26,861	
Deferred consideration	1,101	
Equity shares	7,097	
Net cash inflows in respect of the sale comprised:		
Cash and cash equivalents	27,961	
Less: cash and cash equivalents disposed of	-	
	27,961	
Sale proceeds less net assets disposed		2,320
Costs associated with disposal		(1,216)
Profit on disposal of fixed asset investments		1,104

33. POST BALANCE SHEET EVENTS

On 11 June 2021 the Group was sold to Aksiom Services Group Limited (see note 29). Immediately following the change in ownership, the external loans issued by the funds managed by Alcentra at the balance sheet date (see note 19) were settled, together with additional accrued interest, from equity funds provided by the new owners of the group. As a component of this transaction, it was agreed that the on disposal of the equity shares of Gore Street Capital held by the Group at the balance sheet (see note 20 under Investments in Equity Instruments) all proceeds received would be payable to the funds managed by Alcentra as deferred consideration for the purchase of the Group. The Gore Street Capital shares were disposed of on 22 July 2021 and the proceeds received were transferred to funds managed by Alcentra on 4 August 2021.