REGISTERED NUMBER: 13709999 (England and Wales)

Low Carbon Opco Limited

Directors' Report and

Consolidated Financial Statements

for the Period 28 October 2021 to 31 December 2022

Low Carbon Opco Limited (Registered number: 13709999)

Contents of the Consolidated Financial Statements
for the Period 28 October 2021 to 31 December 2022

Low Carbon Opco Limited

Company Information
for the Period 28 October 2021 to 31 December 2022

DIRECTORS:	J M Alfonso R B Bedlow
REGISTERED OFFICE:	Stirling Square 5-7 Carlton Gardens London SW1Y 5AD
REGISTERED NUMBER:	13709999 (England and Wales)
INDEPENDENT AUDITORS.	Ernst & Young LLP 1 More London Place London SE1 2AF

Directors' Report
for the Period 28 October 2021 to 31 December 2022

The directors present their report with the financial statements of the Company and the Group for the period 28 October 2021 to 31 December 2022.

INCORPORATION
The Group was incorporated on 28 October 2021 and commenced trading on the same date.

PRINCIPAL ACTIVITY
Low Carbon creates large-scale renewable energy to tackle climate change. The principal activity of the Group in the period under review was the construction and operation of large-scale renewable energy assets primarily in the UK and Europe.

REVIEW OF BUSINESS
The group has made a profit for the period of £226,983.

The directors have not declared a dividend.

EVENTS SINCE THE END OF THE PERIOD
Information relating to events since the end of the period is given in the note 20 to the financial statements.

DIRECTORS
The directors who have held office during the period from 28 October 2021 to the date of this report are as follows:

J M Alfonso - appointed 28 October 2021
R B Bedlow - appointed 28 October 2021

GOING CONCERN
The directors believe that the group is well placed to manage its business risks successfully. The Russia-Ukraine conflict is a humanitarian crisis on a scale not seen in Europe since WWII. As sanctions continue to be imposed against Russia, the economic ramifications of increases to energy prices, fluctuations in foreign exchange rates and interest rate rises are being felt globally. The directors have considered the ongoing risk to supply chains and revenue streams however it is very difficult to make forward looking statements or predictions with any great certainty. The directors have reviewed the impact of the Russia-Ukraine conflict on the business and do not consider there to be a significant impact on the long-term activities of the group. The directors have also considered the available headroom in its existing debt facilities and as a result, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS INDEMNITY
The directors of the Group are indemnified under a directors and officers liability insurance policy for losses or advancement of defence costs as a result of a legal action brought for alleged wrongful acts in their capacity as directors and officers of the Group. The indemnity was in force during the financial year and at the date of approval of these financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITORS
In the case of each director in office at the date of the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
Ernst & Young LLP were appointed as auditors for the period 28 October 2021 to 31 December 2022. In accordance with Section 487 of the Companies Act 2006, Ernst & Young LLP shall be deemed to be reappointed as auditors at the end of the period for appointing auditors.

SMALL COMPANY EXEMPTION
This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

....
J M Alfonso - Director

Date: 28 June 2023

Directors' Responsibilities Statement
for the Period 28 October 2021 to 31 December 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOW CARBON OPCO LIMITED

Opinion

We have audited the financial statements of Low Carbon Opco Limited (the 'parent company') and its subsidiaries (the 'group') for the for the period of 28 October 2021 to 31 December 2022 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes 1 to 23 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the period 28 October 2021 to 31 December 2022;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 2 to the financial statements, 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 and parent company's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

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 this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the group and parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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 and 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are those related to reporting framework (FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" in conformity with the requirements of the Companies Act 2006).
- We understood how Low Carbon Opco Limited and its subsidiaries are complying with those frameworks by enquiring of management. We then corroborated these enquiries through the review of internal policies and Board of Directors and Risk Committee minutes.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur by obtaining an understanding of the group and parent company's fraud risk assessment and the controls and procedures that are in operation to detect and prevent fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved performing journal entry testing, with a focus on manual journals and those indicating large or unusual journals based on our understanding of the business; and challenging the assumptions and judgements made by management in respect of significant accounting estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hee Yu Lee

Hee Yu Lee (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
28 *June 2023*

Low Carbon Opco Limited (Registered number: 13709999)

Consolidated Income Statement
for the Period 28 October 2021 to 31 December 2022

	Notes	£
TURNOVER		-
Administrative expenses		(926,528)
OPERATING LOSS	5	(926 528)
Interest receivable and similar income	6	2,694,875
Interest payable and similar expenses	7	(1,541,364)
PROFIT BEFORE TAXATION		226,983
Tax on profit	8	
PROFIT FOR THE FINANCIAL PERIOD		226,983
Profit attributable to:		
Owners of the parent		226,983

The notes form part of these financial statements

Low Carbon Opco Limited (Registered number: 13709999)

Consolidated Balance Sheet
31 December 2022

	Notes	£
FIXED ASSETS		
Intangible assets	10	58,093.469
Tangible assets	11	43,886.015
Investments	12	-
		101,979,484
CURRENT ASSETS		
Debtors	13	31,751,282
Financial Instruments		
Amounts due within one year	19	1,186,595
Amounts due in more than one year	19	10,350,546
Investments	14	1,497,727
Cash at bank		38,540,438
		83,326,588
CREDITORS		
Amounts falling due within one year	15	(108,022,022)
NET CURRENT LIABILITIES		(24,695,434)
TOTAL ASSETS LESS CURRENT LIABILITIES		77,284,050
CREDITORS		
Amounts falling due after more than one year	16	(65,723,119)
NET ASSETS		11,560,931
CAPITAL AND RESERVES		
Called up share capital		1
Cash flow hedge reserve		11,537,275
Foreign currency translation reserve		(203,328)
Retained earnings		226,983
		11,560,931

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2023 and were signed on its behalf by

J M Alfonso - Director

The notes form part of these financial statements

Low Carbon Opco Limited (Registered number: 13709999)

Company Balance Sheet
31 December 2022

	Notes	£
FIXED ASSETS		
Intangible assets	10	-
Tangible assets	11	-
Investments	12	1
		1
CURRENT ASSETS		
Debtors	13	84,153,583
Investments	14	1
		84,153,584
CREDITORS		
Amounts falling due within one year	15	(84,468,440)
NET CURRENT LIABILITIES		(314,856)
TOTAL ASSETS LESS CURRENT LIABILITIES		(314,855)
CAPITAL AND RESERVES		
Called up share capital		1
Retained earnings		(314,856)
		(314,855)
Company's loss for the financial year		(314,856)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the period was £314 856

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2023 and were signed on its behalf by

J M Afonso - Director

The notes form part of these financial statements

Low Carbon Opco Limited (Registered number: 13709999)

Consolidated Statement of Changes in Equity
for the Period 28 October 2021 to 31 December 2022

	Called up share capital £	Retained earnings £	Cash flow hedge reserve £	Foreign currency translation reserve £	Total equity £
Changes in equity					
Issue of share capital	1	-	-	-	1
Total comprehensive income	-	226,983	11,537,275	(203,328)	11,560,930
Balance at 31 December 2022	1	226,983	11,537,275	(203,328)	11,560,931

The notes form part of these financial statements

Low Carbon Opco Limited (Registered number: 13709999)

Company Statement of Changes in Equity
for the Period 28 October 2021 to 31 December 2022

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	1	-	1
Total comprehensive income	-	(314,856)	(314,856)
Balance at 31 December 2022	1	(314,856)	(314,855)

1 GENERAL INFORMATION

Low Carbon OpCo Limited is a private limited company incorporated and domiciled in England and Wales The address of the company's registered office is Stirling Square, 5-7 Carlton Gardens, London, SW1Y 5AD.

Low Carbon creates large-scale renewable energy to fight climate change. The principal activity of the Group in the period under review was the construction and operation of large-scale renewable energy assets primarily in the UK and Europe.

The principal accounting policies adopted by the company are set out in note 2.

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in the functional currency of the Group, Pound Sterling (£), as this is the currency of the primary economic environment in which the Group operates. The financial statements are rounded to the nearest pound, except where otherwise indicated.

The Company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 33 Related Party Disclosures.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern
The directors believe that the group is well placed to manage its business risks successfully. The Russia-Ukraine conflict is a humanitarian crisis on a scale not seen in Europe since WWII As sanctions continue to be imposed against Russia, the economic ramifications of increases to energy prices, fluctuations in foreign exchange rates and interest rate rises are being felt globally. The directors have considered the ongoing risk to supply chains and revenue streams however it is very difficult to make forward looking statements or predictions with any great certainty. The directors have reviewed the impact of the Russia-Ukraine conflict on the business and do not consider there to be a significant impact on the long-term activities of the group. The directors have also considered the available headroom in its existing debt facilities and as a result, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Basis of consolidation
The Group financial statements comprise of the financial statements of Low Carbon OpCo Limited and its subsidiaries as at 31 December 2022.

Subsidiary undertakings acquired during the period are recorded under the acquisition method of accounting. The results of subsidiaries acquired during the year are consolidated from the date of acquisition, being the date on which the parent company obtains control, and continue to be consolidated until the date such control ceases The financial statements of the subsidiaries are prepared using consistent accounting policies. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

LCIP Finland Wind OY and Morknasskogens Wind AB have been classified as assets held for sale and as a result have been excluded from the consolidation. For more information see note 14

2. **ACCOUNTING POLICIES - continued**

Goodwill
Goodwill, being the amount paid in connection with the acquisition of a business in 2022, is being amortised evenly over its estimated useful life of 11 months.

Intangible assets
During the period the group has acquired subsidiaries which did not satisfy the definition of a business under FRS 102 s19. As a result the acquisition has been accounted for as an asset acquisition.

The tangible fixed assets acquired have been recognised at their fair value with the balance of the acquisition cost being recognised as an intangible asset.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Intangible assets are amortised on a straight line basis over their estimated useful lives. The carrying value of intangible assets is reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

The useful economic lives of intangible assets are as follows:

Asset acquisitions - 30 - 41 years aligned to the useful economic life of the underlying fixed asset.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

The depreciation methods, estimated remaining useful lives and residual values are reviewed at each reporting date taking account of technological innovations and asset management programmes. A change resulting from the review is treated as a change in accounting estimate The depreciation expense is recognised in the statement of comprehensive income.

Depreciation commences when the asset is available for use

Taxation
Taxation for the period comprises current and deferred tax Tax is recognised n the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity

Current or deferred taxation assets and liabilities are not discounted

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 ACCOUNTING POLICIES - continued

Foreign currencies
Transactions in foreign currencies are translated to the functional currency at exchange rates prevailing at the date of the transaction. Monetary assets and liabilities are translated at exchange rates prevailing at the balance sheet date Non-monetary items carried at cost are translated using the exchange rate at the date of the transaction, whilst assets carried at fair value are translated at the exchange rates when the fair value was determined.

The trading results of group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

Investment in subsidiaries
Subsidiary undertakings are all entities over which the parent company has the power to govern the financial and operating policies so as to obtain benefit from their activities.

The investment in subsidiaries held by the parent company are valued at cost less any provision for impairment that is considered to have occurred the resultant loss being recognised in the statement of comprehensive income.

2 ACCOUNTING POLICIES - continued

Financial instruments
The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments, choosing to apply the recognition and measurement provisions of IFRS 9 Financial Instruments and IAS 39, the disclosure requirements of Sections 11 and 12 and the presentation requirements of paragraphs 11.38A and 12.25B.

i. Financial Assets
Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when:

(a) the contractual rights to the cash flows from the asset expire or are settled; or
(b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or
(c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii. Financial Liabilities
Basic financial liabilities, including trade and other payables, bank loans, and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing
transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments (other than those wholly repayable or receivable within one year) are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

2 ACCOUNTING POLICIES - continued

Financial instruments (continued)

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement. Fair value is calculated as the present value of estimated future cashflows.

iii. Offsetting
Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv. Hedging arrangements
The group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings. Interest rate swaps are held to manage the interest rate exposures and are designated as cash flow hedges of floating rate borrowings.

Changes in the fair values of derivatives designated as cash flow hedges and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. *Hedge accounting is discontinued when the hedging instrument expires, no longer meets the* hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

Cash and cash equivalents
Cash and cash equivalents include cash at bank and on hand.

Equity
Equity comprises the following
- Share capital represents the nominal value of ordinary equity shares.
- Retained deficit includes all current results as disclosed in the consolidated statement of comprehensive income.
- Cash flow hedge reserve includes the accumulated fair value movement on cash hedges eligible for the application of hedge accounting

Interest payable
Interest payable on loans is charged to the statement of comprehensive income using the effective interest method.

Interest receivable
Interest receivable on loans is recognised in the statement of comprehensive income using the effective interest method.

Operating Leases
Leases in which the group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The most critical accounting policies and estimates in determining the financial condition and results of the group are those requiring a greater degree of subjective or complete judgement. These relate to:

- Deferred taxes

  Deferred tax assets are recognised for unused tax losses to the extent that it is probable that the taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

- Valuation of investments

  In respect of the recoverability of investments and inter-company receivables, consideration of economic and market factors are incorporated into the assessment of each investment's future growth plans and prospects.

  In assessing impairment, judgements is required to establish whether there have been any indicators of impairment either internal or external. Once the need for a review of the carrying value of an investment has been determined, valuation requires estimation techniques and is therefore subject to estimates and judgements.

- Valuation of derivatives

  Derivative financial instruments are used to manage the groups exposure to interest rate fluctuations on its debt facilities. Derivatives are measured at fair value, calculated by an independent third party at the end of each reporting period. The calculation of fair value utilises yield curves and discount rates are based on estimates.

4 EMPLOYEES AND DIRECTORS

The average number of employees during the period was 1.

The average number of employees by undertakings that were proportionately consolidated during the period was 1

For the current period the directors were employed by, and received all emoluments from other Low Carbon Limited group undertakings.

The directors of the company received total remuneration of £1,112,339 from the immediate parent company, Low Carbon Limited in the current year. The directors do not believe it is practical to apportion their remuneration between their services as directors of the Low Carbon OpCo Limited group and the services provided to the wider Low Carbon Limited group. As a result no remuneration has been recharged in the current year.

5 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2022
	£
Auditors remuneration	156,000
Amortisation of borrowing costs	312
Amortisation of intangibles	169,265
Foreign exchange (gains)/losses	(673,430)

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	£
Interest income	1,608,331
Foreign exchange gains on financing activities	1,086,544
	2,694,875

7 INTEREST PAYABLE AND SIMILAR EXPENSES

	£
Bank loan interest	1,198,828
Loan from group undertakings	342,224
Amortisation of facility fees	312
	1,541,364

8 TAXATION

(a) Income tax on profit on ordinary activities
Income tax charged in the income statement:

	2022
	£
Current tax:	
UK Corporation tax on the profit for the period **Deferred tax:**	-
Current period	
Income tax expense in the income statement	-

(b) Reconciliation of the total income tax charge
The income tax expense in the income statement for the period differs from the standard rate of corporation tax in the UK of 19.00%. The differences are reconciled below:

	2022
	£
Accounting profit before taxation	226,983
At standard rate of corporation tax in the UK of 19.00%	43,126
Expenses not deductible	451,781
Income not taxable	(1,110,853)
Movement in unprovided deferred tax	615,946
Income tax (benefit)/expense in income statement	-

(c) Factors that may affect future tax charges

The Finance Act 2021, which received Royal Assent on 10 June 2021, increased the corporation tax rate from 19% to 25% from 1 April 2023. Where deferred tax assets and liabilities are expected to unwind after 1 April 2023, they have been revalued to reflect the rate change.

9 **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill	Other intangible assets	Totals
	£	£	£
COST			
Additions	311,757	58,206,214	58,517,971
At 31 December 2022	311,757	58,206,214	58,517,971
AMORTISATION			
Charge for period	255,074	169,428	424,502
At 31 December 2022	255,074	169,428	424,502
NET BOOK VALUE			
At 31 December 2022	56,683	58,036,786	58,093 469

10. INTANGIBLE FIXED ASSETS - continued

Group

During the year the group acquired subsidiaries from related parties which did not meet the definition of a business under FRS 102 s19. As a result the acquisition has been accounted for as an asset acquisition.

The initial cost of the assets acquired were recognised at their relative fair value as follows:

	£
Fair value of intangible assets included above	58,206,214
Fair value of fixed assets included in tangible fixed asset additions included in note 11.	6,973,769
Total purchase price of assets acquired from related parties	65,179,983

The goodwill added in the period has been recognised on the purchase of LCIP Finland Wind Limited and its subsidiaries by Low Carbon OpCo Limited on 22nd March 2022. The subsidiaries of LCIP Finland Wind Limited that were constructing the underlying renewable energy asset were sold in February 2023, shortly after the year end. As a result, the goodwill is being amortised over the 11 month period from the date of purchase to the date of disposal. For further information see note 14.

11. TANGIBLE FIXED ASSETS

Group

	Solar PV Assets £
COST	
Additions	43,886,015
At 31 December 2022	43,886,015
NET BOOK VALUE	
At 31 December 2022	43,886,015

The amount of the borrowing costs capitalised during the period ended 31 December 2022 was £682,900.

Included in fixed asset additions is £6,973,769 in relation to the acquisition of subsidiaries from related parties which did not fulfil the criteria of a business combination under FRS 102 See note 10 for further details.

12. INVESTMENTS

	Group £	Company £
Shares in group undertakings	-	1

Investment in associates & subsidiary undertakings:

Details of the investments in which the parent company held 20% or more of the nominal value of any class of share capital as at 31 December 2022 are as follows (* held by a subsidiary undertaking)

Name of company	Holding	Proportion of shares held
Low Carbon Solar Opco Limited	Ordinary shares	100%
LCIP Finland Wind Limited*	Ordinary shares	100%
LCIP Finland Wind OY*	Ordinary shares	100%
Morknasskogens Wind AB*	Ordinary shares	100%
Low Carbon Solar Operations Holdings Limited*	Ordinary shares	100%
Low Carbon Solar Operations Limited*	Ordinary shares	100%
Low Carbon UK Solar Operations Limited*	Ordinary shares	100%
Fox Covert Solar Farm Limited*	Ordinary shares	100%
St Clere's Solar Farm Limited*	Ordinary shares	100%
Inkersall Solar Farm Limited*	Ordinary shares	100%
Cornwell Solar Farm Limited*	Ordinary shares	100%
Layer Solar Farm Limited*	Ordinary shares	100%
Harlesford Solar Farm Limited*	Ordinary shares	100%
Low Carbon Solar Park 2 Limited*	Ordinary shares	100%
Low Carbon Solar Park 9 Limited*	Ordinary shares	100%
Low Carbon Dutch Solar Operations BV*	Ordinary shares	100%
Zonnepark Veenweg Ter Apel BV*	Ordinary shares	100%
Zonnepark Wijkerbroek Oost BV*	Ordinary shares	100%
Zonnepark Wijkerbroek West BV*	Ordinary shares	100%
Zonnepark de Stegenhoek BV*	Ordinary shares	100%
Zonnepark Bergweg Mariahoop BV*	Ordinary shares	100%
Zonnepark Werkhoven Bv*	Ordinary shares	100%
Zonnerpark Havebos BV*	Ordinary shares	100%

Each company is incorporated in the United Kingdom, with the exception of the following:

Company	Country of incorporation
LCIP Finland Wind OY	Finland
Morknasskogens Wind AB	Finland
Low Carbon Dutch Solar Operations BV	Netherlands
Zonnepark Veenweg Ter Apel BV	Netherlands
Zonnepark Wijkerbroek Oost BV	Netherlands
Zonnepark Wijkerbroek West BV	Netherlands
Zonnepark de Stegenhoek BV	Netherlands
Zonnepark Bergweg Mariahoop BV	Netherlands
Zonnepark Werkhoven BV	Netherlands
Zonnerpark Havebos BV	Netherlands

The registered office for each company, is Stirling Square, 5-7 Carlton Gardens, London, SW1Y 5AD, with the exception of the following:

Company	Country of incorporation
LCIP Finland Wind OY	Erottajankatu 15-17, 00130, Helsinki, Finland
Morknasskogens Wind AB	Erottajankatu 15-17, 00130, Helsinki, Finland
Low Carbon Dutch Solar Operations BV	Amstelveenseweg 760, Amsterdam, 1081 JK
Zonnepark Veenweg Ter Apel BV	Amstelveenseweg 760, Amsterdam, 1081 JK
Zonnepark Wijkerbroek Oost BV	Amstelveenseweg 760, Amsterdam, 1081 JK

12. **INVESTMENTS (continued)**

Company	**Country of incorporation**
Zonnepark Wijkerbroek West BV	Amstelveenseweg 760, Amsterdam, 1081 JK
Zonnepark de Stegenhoek BV	Amstelveenseweg 760, Amsterdam, 1081 JK
Zonnepark Bergweg Mariahoop BV	Amstelveenseweg 760, Amsterdam, 1081 JK
Zonnepark Werkhoven BV	Amstelveenseweg 760, Amsterdam, 1081 JK
Zonnerpark Havebos BV	Amstelveenseweg 760, Amsterdam, 1081 JK

For the year ended 31 December 2022 the above subsidiaries incorporated in the United Kingdom (greater than 50%) were entitled to, and applied the exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

13. **DEBTORS**

	Group £	**Company** £
Amounts falling due within one year:		
Amounts owed by group undertakings	19,105,086	84,148,117
Other debtors	12,646,196	5,466
	31,751,282	84,153,583

Included within Other debtors due in less than one year is a balance of £10,143,448 that relates to a solar panel reservation agreement. As part of the agreement, underlying solar project company subsidiaries will receive delivery of solar panels.

14. **CURRENT ASSET INVESTMENTS**

	Group £	**Company** £
Shares in group undertakings	1,497,727	1

Current asset investments includes a £1 investment in LCIP Finland Wind Limited.

On 22nd March 2022 Low Carbon OpCo Limited acquired 100% of the share capital of LCIP Finland Wind Limited and its subsidiaries, LCIP Finland Wind OY and Morknasskogens Wind AB with a view to subsequent resale LCIP Finland Wind Limited and its subsidiaries principal activity was the development and construction of an onshore wind farm in Finland

LCIP Finland Wind OY and Morknasskogens Wind AB were subsequently sold in February 2023 For more information see note 22

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group £	*Company* £
Bank loans and overdrafts (see note 17)	19,523,828	
Trade creditors	322,804	14 074
Amounts owed to group undertakings	84,317,078	84,281,975
Other creditors	3,858,312	172,391
	108,022,022	84,468 440

16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group £
Bank loans (see note 17)	65,723 119

Amounts falling due in more than five years:

	Group £
Repayable otherwise than by instalments	
Bank loans	64,796,537

17 LOANS

An analysis of the maturity of loans is given below

	Group £
Amounts falling due within one year or on demand:	
Senior bank loans	19,523,828
Amounts falling due between two and five years:	
Bank loans 2-5 years	926,582
Amounts falling due in more than five years	
Repayable otherwise than by instalments	
Bank loans	64,796,537

17. LOANS - continued

Included within the bank loans repayable in more than 5 years is a loan of £67,839,664 received from a subsidiary of the joint controlling party Amounts drawn under the loan facility attract interest at a variable rate. The weighted average effective interest rate during the period was 8 87% The loan is due for repayment in 2032 and is secured over the assets of the Group

Included in bank loans repayable between 2 and 5 years is a loan of £925,568 The loan attracts a variable rate of interest. The effective interest rate during the period was 5% The loan is due for repayment on 9th August 2025 and is secured over the assets of the Group.

Loans repayable between 2 and 5 years have been adjusted for transaction costs totalling £3,725,348 During the year £312 has been charged to the income statement.

Included within current bank loans is a loan of £18,325,000 received from a subsidiary of the joint controlling party Amounts drawn under the loan facility attract interest at a variable rate of SONIA plus 6.5%. The loan was fully repaid after the year end in February 2023

18 LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Obligations under operating leases
As at 31 December the Group has future minimum rentals payable under non-cancellable operating leases are as follows:

	Group 2022 £	Company 2022 £
Land and buildings		
Not later than one year	378,662	-
After one year but not more than five years	1,589,980	-
After five years	10,356,458	-
	12,325,100	-

19. FINANCIAL INSTRUMENTS

The Group has entered into three interest rate swap contracts on 31 December 2022:

An interest rate swap for GBP bank debt facilities to receive interest at a variable rate with floating references to SONIA Compounding with a 5 day lookback and pay interest at a fixed rate of 2.488%, which matures on 30th June 2027.

An interest rate swap for GBP bank debt facilities to receive interest at a variable rate with floating references to SONIA Compounding with a 5 day lookback and pay interest at a fixed rate of 2.537%, which matures on 30th June 2037.

An interest rate swap for Euro bank debt facilities to receive interest at a variable rate with floating references to 3 month EURIBOR and pay interest at a fixed rate of 2.021%, which matures on 31st December 2038.

The instrument is used to hedge the group's exposure to interest rate movements on the senior loan facility and the Arch facility, utilised for the construction of renewable energy assets.

The fair value of the interest rate swaps at 31 December 2022 was £11,537,275 and has been recognised in other comprehensive income.

The group has the following derivative financial instruments:

	2022 £
Financial assets at fair value:	
- Other debtors < 1 year	1,186,595
- Other debtors > 1 year	10,350,546
	11,537,141

20. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date.

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

During the year the group purchased 100% of the share capital of 7 SPVs from a joint venture of the immediate parent company, Low Carbon Limited. Total share consideration paid was €10,791,156. At the balance sheet date €nil remains outstanding.

22. POST BALANCE SHEET EVENTS

In February 2023 LCIP Finland Wind Limited sold its investment in LCIP Finland Wind OY and its subsidiaries

23 ULTIMATE CONTROLLING PARTY

The company's immediate parent undertaking is Low Carbon Limited, a Limited Company incorporated in England and Wales.

At 31 December 2022 the company is under the joint control of Low Carbon Group Limited, a Limited Company incorporated in England and Wales, and MassMutual Holding LLC a Delaware Limited Liability Corporation. There is no ultimate beneficial owner.

The largest group in which the Company is consolidated and which publishes consolidated financial statements is Low Carbon Limited, whose financial statements can be obtained from Stirling Square, 5-7 Carlton Gardens, London, SW1Y 5AD.