Registered Number: 07443091

ANESCO LIMITED

ANNUAL REPORT AND STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

ANESCO LIMITED

COMPANY INFORMATION

DIRECTORS	Mark Futyan Mark Browning
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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

PRINCIPAL ACTIVITIES

The Company'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 Company 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 Company 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 2022 (£'000)	Year to 31 March 2021 Restated (£'000)	Year to 31 March 2021 Reported (£'000)
Revenue	75,085	60,006	62,733
Gross profit	11,865	12,307	15,034
Adjusted EBITDA*	756	4,179	4,179
(Loss) for the year	(4,908)	(4,814)	(2,087)
Cash reserves	6,649	12,847	12,847

* 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 Company.

The Company increased revenues for the year to £75.1m from £60.0m (restated) in the previous year, reflecting the growth across all established business units.

After the balance sheet date and following the cessation of the government ECO3 scheme in March 2022, the Company received results of the audits of submitted measures undertaken by the regulator OFGEM over the ECO measures submitted by utilities over the course of the 3-year scheme. The disputed submissions were on the basis of either inaccurate or insufficiently supported measures which gave rise to a total anticipated liability to utilities of £5.3m, of which £2.7m related to revenue recognised in the year ended 31 March 2021 and £0.4m to previous years. The prior period results have been restated as a result.

The decline in gross margin percentage to 16% from 21% (restated) arose primarily from the increase in input costs on construction projects and on maintenance contracts. The increases in input costs observed were primarily due to the global shortages caused by COVID-19 and other macroeconomic impacts of the pandemic. A further impact on the gross margin percentage arose from rejections at the closure of the ECO 3 scheme, with a current period impact of £2.2m. This is explained in more detail in the subsequent events note 28 in the financial statements and in the reconciliation of profit before tax for the period to Adjusted EBITDA below. The comparative figures in the financial statements are restated for rejections at the closure of the ECO 3 scheme which relate to the year ended 31 March 2021 or prior.

The loss for the period of £4.9m reflects the reduction in gross margin explained above (unfavourable £0.4m) with higher overheads in the current year (£4.5m unfavourable) offset by reduced interest charges (£3.0m favourable) and a one off loss on disposal of fixed asset investments in the prior year (£1.5m favourable). Overheads increased from the previous year as a result of increasing operational staffing levels and back office support to support the continued growth of the Company. The Company received lower interest charges as the capex loan was settled in June 2021 through funding received on an interest free intercompany loan and external funding in the form of a Revolving Credit Facility was only drawn down in February 2022

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 Company. The Company 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 Company.

Adjusted EBITDA of £0.8m was £3.4m lower than the previous year (reported), driven by the higher loss before tax explained above.

The Directors, in agreement with the Company's principal shareholder, consider the key KPI of the Company to be Adjusted EBITDA, which comprises earnings before interest, tax, depreciation, amortisation, impairment, movements on foreign exchange, profit or loss on the sale of SPVs and exceptional costs, being specific non-recurring items which would otherwise distort the underlying performance of the Company. Exceptional items totalling £3.9m in the current year comprise fees relating to the group sale process and the current year impact of ECO 3 scheme rejections occurring post year end, but relating to submissions in the current year.

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

	Year to 31 March 2022	Year to 31 March 2021 Restated	Year to 31 March 2021 Reported
	£' 000	£' 000	£' 000
Loss before tax	(5,219)	(4,564)	(1,837)
Impairment	65	204	204
Depreciation	273	250	250
Amortisation	496	495	495
Net interest payable	763	3,725	3,725
Exceptional items	3,930	4,049	1,322
Foreign exchange differences	448	20	20
Adjusted EBITDA	**756**	**4,179**	**4,179**

The Adjusted EBITDA of the group headed by Quanesco Topco Limited (intermediate parent of the Company) was £1.8m for the financial period ended 31 March 2022.

Exceptional Items

Fees relating to the sale process for the group headed by Anesco Holdings Limited (a parent company of Anesco Limited) totalling £1.7m meet the criteria for recognition as an exceptional item on the grounds that they are non-recurring and do not relate to the trading performance of the group. These expenses were incurred by Anesco Limited on the sell-side transaction.

The financial results presented include the impact of the results of audits performed by OFGEM following the cessation of the government ECO3 scheme in March 2022 on measures submitted during the 3-year scheme. The financial impact of these results was a £2.2m reduction in revenue for the year ended 31 March 2022 and for the comparative, £2.7m as included in the restated results for the year ended 31 March 2021, based on the original submission date of the measures. These losses relate to a one-off audit process for the 3-year scheme as a whole, whereas under the new ECO scheme (ECO 4) increased compliance requirements prior to the point of submission, additional technical monitoring processes and the expected annual audit throughout the period of the scheme will significantly mitigate this risk going forwards. As a result of the passage of time between the original submission date and the audit process being completed, many of the original installers, which were at fault, are no longer trading and therefore the Company is unlikely to be able to recover the cost of rejected measures from the original installers. With on-going audits under the ECO 4 scheme the Company will be able to act more quickly to cease trading with installers picked up in the audit processes and are more likely to be able to recover the costs incurred for rejected measures. As a result, the ECO 3 OFGEM audit impact is deemed to be exceptional.

The cash reserves of the Company stand at £6.6m at the end of the financial year, compared to £12.8m as at 31 March 2021. The utilisation of cash reserves has primarily arisen from working capital requirements on new EPC projects. In February the Company drew down against a Revolving Credit Facility to support project cashflow requirements.

Non-financial Key Performance Indicators

We are safe:
Safety is core to the Company'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 Company's Recordable Injury Frequency Rate for the financial period was 0.0 per 200k hours worked, significantly below the industry benchmark of 2.0. We are proud to have achieved a10th consecutive RoSPA Gold Award for our track record in safe operations.

We are one team:
The Company retained the Gold Investors in People award during the period, reflecting our belief that the Company's greatest asset is its people. Employees are kept informed of Company developments by regular staff presentations delivered by the executive team, quarterly updates in person, and monthly updates by email from the CEO, and use of online collaboration tools. Consultation with employees take place and employees are made aware of their contribution to the Company through individual performance reviews.

We are green:
The Company delivered 30MW of new solar capacity during the period, helping to increase the supply of carbon free electricity. The Company has entered into agreements for the construction of a further 185 MW of solar capacity and 250 MW of battery storage adding additional flexibility to the electricity system which will be constructed in subsequent financial years. Through our ECO offering we managed the delivery of 125 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 Company substantially increased its development project pipeline in the period, closing at over 4.5 GW of capacity in development. These projects have all been developed in close collaboration with local communities and with biodiversity a key element to the developments.

We are cutting edge:
The Company has been utilising new workflow capabilities to better manage O&M (Operations and Maintenance) services across the 1.3 GW of solar PV installations under contact. Key team members keep abreast of the latest developments in the industry and new hires during the period have brought additional experience and capability. The Company 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 Company continues to focus on its core strengths in solar PV and battery energy storage. The Company has £50m of revenue secured for the following financial year from third party EPC contracts commenced during the current period and expects to begin construction on other sites which have been self-developed.

RISK EXPOSURE

The Company is exposed to the following risks. The Directors of the Board consider these risks and the possible impacts through the discussions held at the Quanesco Topco Limited board meetings.

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 in 2019 and subsequently extended the flagship ECO scheme for a further 4 years from 2022 to 2026.

Senior management of the Group actively monitor industry developments, particularly in respect of planning and grid connection regulations, which have the potential to impact on the development pipeline.

Financial Risks

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

1. Price Risk
The Company is exposed to changes in the market prices of materials used for construction and maintenance services. To manage this the Company 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. The Company was impacted significantly during the period as a result of price volatility on key raw material imports. 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.

The current economic environment in the UK is characterised by high levels of inflation. The Group seeks to mitigate this risk by including inflationary increases in O&M contracts and by setting prices for services across other divisions to reflect the current input prices. For EPC contracts where the material and external labour input costs form the majority of the cost of delivering the project, the Group seeks to fix prices with suppliers as close to signing the contract as possible, in order to mitigate the impact of input price variances.

The war in Ukraine has the potential to impact on raw material and shipping costs, primarily for the EPC division where the Group relies on imported components. This price risk is mitigated through the same measures as explained above.

2. Credit Risk
The Company'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 Company makes purchases in Sterling, Euro and US Dollars. The majority of payments are received in Sterling.. The imbalance of these transactions exposes the Company to foreign exchange risk. The Directors are risk averse in their approach so when the business is materially exposed, the Company enters into forward contracts to hedge these exposures as soon as currency requirements are known.

4. Interest Rate Risk
During the financial period the Company was exposed to interest rate risk through the Revolving Credit Facility which is priced as SONIA plus a variable margin, albeit this risk was not material in the current period due to the short period of time for which the Revolving Credit Facility was drawn down. Going forward the Company will continue to actively monitor cashflow forecasts to ensure that the use of debt facilities are minimised where possible in order to reduce the exposure to interest rate risk.

5. Market Price Risk
At the start of the current year, the Company held shares in a fund listed on the London Stock Exchange which exposed the Company to market price risk as the market value of these financial instruments fluctuates over time. The Company disposed of all of the shares during the financial period, at a small loss.

The Group is also exposed to market price risk in relation to wholesale market pricing for electricity. Changes in the future projections of wholesale pricing affect the project economics of the development portfolio and therefore the value of the pipeline.

6. Brexit
Whilst Brexit has added complexity to importing of materials from the EU, this is primarily limited to administrative matters. The ability of the Company to expand into adjacent European markets where opportunities have been identified has not been significantly impaired, as evidenced by the incorporation of a new subsidiary in the Netherlands during the period, to facilitate development opportunities in both the Netherlands and Denmark. Subsequent to the period end date, the Company also acquired a subsidiary and incorporated a new subsidiary in Germany.

7. COVID-19
Whilst all formal restrictions in England have now been lifted, the emergence of new variants means that Company is still exposed to financial risks as a result of the COVID-19 pandemic. Effective remote working and enhanced planning for similar events means that the Company is well positioned to mitigate any further effects of this or any future pandemic. The Company has settled all outstanding deferred VAT amounts.

8. ECO Scheme Audits
As the Group commences delivery on the ECO 4 scheme, there is a risk that rejections of submitted measures may have a material impact on reported results. This risk will be mitigated through enhanced internal processes to reduce the risk of invalid measures being processed and the overall quantum of the risk is expected to be lower under ECO 4 because additional independent review of work completed with sign off will be included in the submission and the OFGEM audits are expected to take place at more regular intervals. As a result, the Group will be able to act more quickly to cease trading with installers picked up in the audit processes and are more likely to be able to recover the costs incurred for rejected measures.

FUTURE DEVELOPMENTS

The Group has continued to develop its own pipeline of utility scale solar PV and energy storage projects and has strong relationships with utility companies and asset investors. The pipeline growth ensures the positioning of the Group for the uptake in the market in the coming years as technology continues to improve and energy prices remain high.

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 used to good effect in the period and further technological developments to enable predictive maintenance and remote operation implemented.

During the period, the Group delivered above market average returns through its optimisation capabilities for the battery storage sites under management through the asset optimisation service. The Group is actively seeking opportunities to broaden the portfolio of assets under management.

The Group is transitioning into the ECO 4 scheme for delivery of ECO points to utility companies, having signed a number of contracts for delivery over 2022 and 2023. 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 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.

GOING CONCERN

The energy transition has been a high focus for investors and governments in light of increasing evidence of climate change impacts, increased energy security concerns and high energy prices. The rapid expansion of solar PV and energy storage markets provides Anesco with opportunities to deliver against its mission to enable investment in the energy transition. The start of the new ECO 4 scheme provides renewed focus on energy efficiency improvements to UK residential buildings which provides opportunities for our ECO business line to increase the value being derived in this area.

The Company prepares financial forecasts quarterly which include the following six quarters. 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 Company is expected to operate profitably. The Directors have a high degree of confidence in the robustness of these financial forecasts as the Company 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 referred to above, are also prepared by the Company and are subject to weekly review by the Board and stakeholders. During the financial period the Board considered these cash flow forecasts against the backdrop of rising inflation, foreign exchange exposure, potential for cost saving initiatives, governmental exposure, operational challenges including Brexit and the other principal risks detailed in this report. Key to the delivery of these forecasts are the milestone achievements on EPC projects and timing of the development sales and related cash flow. Cash flow forecasts and sensitivities for the 12 month period from the date of issuing this report show that the Company is expected to operate within available cash resources and will be cash generative during that period.

The Group has a £9m revolving credit facility, which was fully drawn down after the end of the financial period (£5.0m drawn down at 31 March 2022). There are financial covenants which the Group is required to report on quarterly in relation to this facility. The Group actively manages the compliance with these financial covenants and has obtained a waiver or amendment to the covenants where required. Aside from the waiver obtained, the Group expects to be compliance with the financial covenants going forward.

Subsequent to the period end the company drew down an additional working capital loan from its shareholders to support the business in its delivery of the current EPC projects and with a view to delivering on the future growth plans of the business.

Based on the information provided to the Board, including the financial forecasts and detailed cash flow forecasts and the additional drawdown of shareholder loans after the financial period 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 consider the Group to be a going concern.

GOVERNANCE

Corporate governance

Whilst the Company 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 Company.

The Board of Directors

During the financial year the Board was comprised of the Chief Executive Officer and the Chief Financial Officer. As executive Board members the two Directors work closely together on a day to day basis to ensure that their duties are met. The Board members are also members of the board of Quanesco Topco Limited, where operational and strategic matters relevant to the Company are discussed at the group wide board meetings of Quanesco Topco Limited. Anesco Limited, as the primary trading entity with the group headed by Quanesco Topco Limited benefits from the work done by the Quanesco Topco Limited board. The Board of the Company meets individually as required.

Between them, the Directors have many years of experience in the Company's principal activities and in the utilities and energy sectors generally as well as in the corporate finance arena. The Board of Quanesco Topco 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 Quanesco Topco 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 Quanesco Topco Limited Board.

During the year, the Quanesco Topco Limited 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 Quanesco Topco Limited Board with regards to the long-term strategy of the business. The Directors make decisions with reference to the longer-term prospects of the Company in mind. The Directors make decisions with reference to the longer-term prospects of the Company in mind, for example the Directors took the decision (which was also formally approved by the Quanesco Topco Limited Board) to incorporate a subsidiary in the Netherlands and hire a managing director based in the Netherlands, in order to facilitate European expansion plans. This approach to decision making is consistent with the duty in s172(1)(a) of the Companies Act 2006.

During 2022 the Directors continued a programme of quarterly briefings for the entire employee base covering the business performance, strategy, latest initiatives and regulatory updates. The employees were encouraged to ask questions during the sessions and to share their thoughts about the business and its strategies for future development. The CEO takes account of feedback from across the business in decision making. 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 period, 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 Directors. Monthly senior leadership team meetings and divisional business reviews include a focus on the relationship of the Company 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.

The Company is committed to accelerating the transition to a low carbon future as defined in the mission statement which is endorsed and supported 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 management 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 Directors includes matters relating to Human Resources, Health, Safety and the Environment and the review and approval of significant policy changes through management meetings. 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 Company 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 period of ownership by the group headed by Quanesco Topco Limited the Directors were also members of the Quanesco Topco Limited Board, which allowed the non-executive Directors to provide insights on the views and priorities of the ultimate beneficial owners of the Company as they are employed within the ownership group. The executive Directors as holders of B Ordinary shares and M Ordinary shares in Quanesco Topco Limited and therefore have a minority stake in the Company. As such they are able to effectively represent the remainder of the management group who have indirect ownership of the Company through Quanesco Topco Limited. The structure of the Board 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

During the financial year, the Board of Quanesco Topco Limited had two committees, the Audit Committee and the Remuneration and Nominations Committee.

Audit Committee: the primary responsibilities of the Audit Committee, which will meet for the first time in February 2023 and will meet annually thereafter, 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 Luis Correia, a non-executive Director of Quanesco Topco Limited.

Remuneration Committee: The Remuneration Committee meets at least once each year. The Remuneration 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. This Committee is chaired by Luis Correia, a non-executive Director of Quanesco Topco Limited.

The Board of Anesco Limited did not have any formal committees, although the work of the Audit Committee and Remuneration and Nominations Committee of Quanesco Topco Limited also benefits Anesco Limited, as the primary trading entity with the group headed by Quanesco Topco Limited.

ENVIRONMENTAL POLICY

Anesco's mission to accelerate the transition to a sustainable, low-carbon future by enabling investment in renewables, storage, and energy efficiency. The environmental agenda is central to our strategy and being 'green' is one of our core values. We are careful custodians of our customer's operating assets and are committed to creating no harm to the environment through our operations.

Environmental objectives and targets are developed by the Safety Leadership Team as part of the annual HSE Improvement Plan, which is revised annually and approved by the board.

Anesco recognises and gives commitment at all levels throughout its organization to the requirements contained within the Integrated Management System and the ISO 14001 standard.

Anesco is committed to:

- *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 Company 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 Company's strategy.

The methodology used to calculate the Company'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 (GHG) Reporting disclosure calculations are based upon the reporting year of 1 April 2021 to 31 March 2022. This greenhouse gas reporting year has been established to align with the financial reporting year.
The Company 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 Company is responsible.

Save as outlined in this report, all material emission sources have been reported on which the Company considers itself to be responsible for. The Company 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 Company 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:

2022			
	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:	553 tonnes CO2	53 tonnes CO2	606 tonnes CO2
Annual energy consumption (in kWh), within the UK and offshore area	642,929 kWh	61,095 kWh	704,024 kWh

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:	1,702 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

As the Company 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 2022
Assets under management by the Company	1.3 GW
Lifetime Carbon Savings processed	124,591,888 LTS
Grid scale solar PV constructed during the year	30 MW

OTHER SIGNIFICANT POLICIES

Social Policy

It is the policy of the Company 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 Company 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 Company 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 Company 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-Bribery and Corruption policy

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

Anti-Slavery and Human Trafficking policy

The Group is committed to ensuring that there is no modern slavery or human trafficking in any part of our business or supply chain. The Group communicates this policy across the business, which is supported by the principles in the Staff Handbook and the Whistleblowing policy, and operates controls for new supplier to ensure that new suppliers are willing to comply with, or exceed, the requirements of the Group's published Modern Slavery statement.

Supplier payment policy

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

STAKEHOLDER RELATIONSHIPS

Shareholders

The Company's institutional investor is represented on the Board of the parent company Quanesco Topco Limited and on its various governance committees, and the Company met with its debt providers on a regular basis.

Subcontractors and suppliers

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

People

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

Information is provided regularly by means of email and group collaboration tools, the intranet and both Company 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 Company'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 Company through individual performance appraisals.

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 Company continues and that appropriate training is arranged. It is the policy of the Company that training, career development and promotion of disabled person should, as far as possible, be identical to that of other employees.

This report was approved by the board on 23rd December 2022 and signed on its behalf by:

DocuSigned by:

Mark Browning

Mark Browning
Chief Financial Officer

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Directors present their report and the financial statements for the year ended 31 March 2022. 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 of the profit or loss of the Company for that year.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 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 £4,908k (2021: restated loss for the year £4,814k). The Directors do not recommend the payment of a dividend (2021: £nil).

DIRECTORS

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

Mark Futyan
Mark Browning

Third party indemnity insurance was provided for all Directors of the Company during the year and also at the date of the approval of the financial statements, under policies held by Quanesco Topco Limited (the holding company).

POLITICAL AND CHARITABLE CONTRIBUTIONS
There were no political donations during the year (2021: £nil). Charitable donations were made totalling £5,485 (2021 £2,550).

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 10 and 11.

RESEARCH AND DEVELOPMENT ACTIVITIES

The Company 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 Company 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 Company'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 Company'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.

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 23rd December 2022 and signed on its behalf by:

DocuSigned by:
Mark Browning
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Mark Browning
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANESCO LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Anesco Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its 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 statement of comprehensive income;
- the statement of Financial Position;
- the statement of changes in equity; and
- the related notes 1 to 29.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act 2006, pension legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included General Data Protection Regulation, employment laws, the 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.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedure performed to address it are described below:

- Cut-off of EPC revenue recognition: We isolated the risk of fraud to the cut-off of EPC revenue for ongoing projects due to the judgement exercised on evaluating the cost incurred as at year end date against the expected cost to complete being the basis of the revenue recognised in the year. Revenue recognised for ongoing projects as at year end was £19.2m. We tested the design and implementation of controls related to EPC revenue cut-off. We have tested and assessed the validity of projects costs incurred during the year, agreed ongoing projects to valid signed contracts, held inquiries with the project managers to understand the status of the projects, assessed expected costs to complete the projects and recalculated revenue recognised during the year using the cost to complete approach.

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

- ECO revenue: occurrence (OFGEM investigation adjustments): Following the industry fraud that was identified subsequent to year end on the ECO3 scheme submissions, either due to inaccurate or insufficiently supported measures, ineligibility of homeowners on which installations have been performed and the duplicate submission of measures by supplier/installers, we have selected samples from management's adjustment listings using a significant risk level with no control reliance and vouched the relevant transactions to the credit notes issued understanding the rationale for each rejection. For items still under investigation, we have inspected the confirmations from the Utility companies, obtaining an understanding of the rationale for each rejection. We have further assessed the completeness of the population against the communications/listings from the Utility companies. As the rejections affect submissions for 3 financial years (2020 – 2022), to ensure allocation of the adjustments to the appropriate financial year, we have used the measure ID number for each rejection and verified that it was included in the submissions as per the ECO App data for the respective financial year.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)
In addition to the above, our procedures to respond to the risks identified included the following:
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management 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 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Use of our report

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

DocuSigned by:
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Helen Wildman ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
23rd December 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022
REGISTERED NUMBER: 07443091

	Notes	Year to 31 March 2022 £' 000	Year to 31 March 2021 Restated £'000
Revenue	3	75,085	60,006
Cost of sales		(63,220)	(47,699)
GROSS PROFIT		11,865	12,307
Administrative expenses		(16,301)	(11,838)
Other income		-	188
OPERATING (LOSS)/PROFIT	4	(4,436)	657
Profit & Loss on Disposal		(20)	(1,496)
Interest receivable and similar income	8	1	1
Interest payable and similar expenses	9	(764)	(3,726)
LOSS BEFORE TAXATION		(5,219)	(4,564)
Tax credit / (charge) on loss	10	311	(250)
LOSS FOR THE YEAR		(4,908)	(4,814)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(4,908)	(4,814)

All items relate to continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022
REGISTERED NUMBER: 07443091

	Notes		31 March 2022 £'000		31 March 2021 Restated £' 000
FIXED ASSETS					
Intangible assets	*11*		2,146		2,055
Tangible assets	*12*		721		650
			2,867		2,705
CURRENT ASSETS					
Inventory	*13*	8,092		2,577	
Debtors: amounts falling due within one year	*14*	28,490		39,561	
Investments in equity instruments	*17*	-		4,339	
Cash and cash equivalents	*15*	6,649		12,847	
		43,231		59,324	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	*16*	(21,424)		(12,723)	
External Loans payable	*17*	(5,028)		-	
Loans payable to shareholders	*17*	-		(24,615)	
NET CURRENT ASSETS			16,779		21,986
Total assets less current liabilities			**19,646**		**24,691**
PROVISIONS FOR LIABILITIES					
Provisions	*18*		(539)		(608)
Deferred taxation	*19*		(49)		(118)
NET ASSETS			**19,058**		**23,965**
Capital and reserves					
Called up share capital	*20*		6,000		6,000
Share premium account	*21*		1,933		1,933
Profit and loss account	*22*		11,125		16,032
Total equity			**19,058**		**23,965**

The financial statements of Anesco Limited (registered number: 07443091) were approved by the board of Directors and authorised for issue on 23rd December 2022. They were signed on its behalf by:

DocuSigned by:
Mark Browning
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Mark Browning
Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

REGISTERED NUMBER: 07443091

	Called up share capital £' 000	Share premium account £' 000	Profit and loss account £'000	Total equity £'000
At 1 April 2020 as previously stated	6,000	1,933	21,271	**29,204**
Prior period restatement (Note 29)	-	-	(425)	**(425)**
At 1 April 2020 as restated	6,000	1,933	20,846	**28,779**
Total comprehensive loss for the period as restated (Note 29)	-	-	(4,814)	**(4,814)**
At 31 March 2021 as restated	6,000	1,933	16,033	**23,965**
Total comprehensive loss for the period	-	-	(4,908)	**(4,908)**
At 31 March 2022	6,000	1,933	11,125	**19,058**

1. ACCOUNTING POLICIES

1.1 General information and basis of accounting

Anesco Limited (the Company) is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is The Green, Easter Park, Benyon Road, Reading, Berkshire, RG7 2PQ. The principal activities of the Company is set out in the Strategic Report on pages 1 to 12. The functional currency of Anesco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

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.

Anesco 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 financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006 as the results for the Company are included in the published consolidated financial statements of Quanesco Topco Limited. The consolidated financial statements of Quanesco Topco Limited can be obtained from the address above.

Anesco Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage

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

The following principal accounting policies have been applied:

1.2 Going concern

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

1.3 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.

1.4 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 Company retains significant risks and rewards of ownership, for example where the Company 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.

1. ACCOUNTING POLICIES (continued)

1.4 Revenue (continued)

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

Construction Contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. This is normally measured by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably, and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

Goods

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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 Company 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.

Maintenance Contracts

Revenue from maintenance contracts is recognised evenly over the period of the contract.

Finance Lease Revenue

Interest earned from finance leases relating to the provision of energy saving assets is recorded as revenue in the profit and loss account over the period of the lease.

1. ACCOUNTING POLICIES (continued)

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Company'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 ten 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 and are amortised over a straight-line basis. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 10 years.

Development costs - these are amounts capitalised in relation to the development of the C&I model and are amortised through the profit and loss account over the Directors' estimate of its useful economic life, which is between 10 and 50 years.

AnescoMeter - these are costs incurred in the development of AnescoMeter, Anesco's maintenance system for renewable energy installations which have been capitalised and are amortised through the profit and loss over the Directors' estimate of its useful economic life, of 1 to 10 years.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as 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 Profit and Loss account.

1. ACCOUNTING POLICIES (continued)

1.7 Operating leases: the Company 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 Company 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.

1.8 Inventory and work in progress

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

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

1.9 Debtors

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The Company 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 Company 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 Company after deducting all of its liabilities.

1. ACCOUNTING POLICIES (continued)

1.11 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 Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Investments
In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment.

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

1. ACCOUNTING POLICIES (continued)

1.11 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 Company 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 Company. 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.

1.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

1.14 Interest income

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

1.15 Borrowing costs

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

1. ACCOUNTING POLICIES (continued)

1.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 Company 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.

1.17 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 Company operates and generates 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 Company 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.

1.18 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.

1. ACCOUNTING POLICIES (continued)

1.18 Research and development (continued)

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.

1.19 Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

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

In the application of the Company'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 Company'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 Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Provisions against trade debtors
When evaluating debtors for recoverability risk, the Directors use their knowledge and experience to determine the provision required.

Provisions for liabilities
When evaluating the impact of potential liabilities arising from claims against the Company, 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 sources of estimation uncertainty

ECO scheme provisions
The Company acquires ECO points which are generated by qualifying energy efficiency measures installed by third party contractors after a detailed internal validation process. The ECO points are then sold to utility companies to enable them to comply with their obligations under the government's ECO scheme. Despite the best efforts of the Company to confirm that the work performed by installers meets the requirements of the ECO scheme, there is a risk that due to fraud or negligence, the measures may be found to be invalid after the relevant ECO points have been sold to a utility company. Typically the subsequent rejection of measures submitted and accepted to a utility company will arise from audits completed by OFGEM, who have access to additional information which may bring to light validity issues. The Company must estimate the likely impact of any subsequent OFGEM audit findings on the revenue recognised in the current year.

3. REVENUE

	Year to 31 March 2022 £' 000	Year to 31 March 2021 Restated £' 000
ECO	37,447	28,867
EPC	19,204	14,855
Development	3,804	1,275
O&M	14,395	12,623
Optimisation	154	107
Services	81	1
Finance Lease Income	-	2,278
	75,085	60,006

All revenue arose in the United Kingdom of which £41.3m was from the sale of goods, the balance being from rendering of services. Contract revenue recognised in the year was £33.6m.

Finance lease income arose from the provision of energy saving assets under finance lease arrangements to members of the group to which Anesco Limited belongs. These arrangements were all concluded during the current financial year.

4. OPERATING LOSS

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

	Year to 31 March 2022 £'000	Year to 31 March 2021 £' 000
Hire of plant and machinery - operating leases	536	458
Hire of property - operating leases	308	287
Depreciation of tangible fixed assets (note 12)	273	250
Amortisation of intangible assets, including goodwill (note 11)	496	495
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts (note 5)	180	155
Exchange differences	448	20
Inventory impairment	65	-
Impairment of intergroup receivables	-	204
(Gain)/loss on fair value movement of investments in equity instruments	53	108
Defined contribution pension cost (note 23)	163	159

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

5. AUDITOR'S REMUNERATION

	Year to 31 March 2022 £' 000	Year to 31 March 2021 £' 000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	180	155
Total audit fees	**180**	**155**
Fees payable to the Company's auditor and its associates for other services to the Company:		
Taxation compliance services	100	185
Other taxation advisory services	17	109
All other services	147	10
Total non-audit fees	**264**	**304**

6. EMPLOYEES

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

	Year to 31 March 2022 £' 000	Year to 31 March 2021 £' 000
Wages and salaries	8,749	7,422
Social security costs	766	720
Cost of defined contribution pension scheme	163	159
	9,678	8,301

The average monthly number of persons employed, including Directors, during the year and analysed by category is as follows:

	Year to 31 March 2022 No.	Year to 31 March 2021 No.
Operations	158	134
Support	30	24
Directors	-	4
	188	162

7. DIRECTORS' REMUNERATION

During the period retirement benefits were accruing to 2 Directors (2021: 2) in respect of defined contribution pension schemes.

DIRECTORS' RENUMERATION	Year to 31 March 2022 £' 000	Year to 31 March 2021 £' 000
Directors' emoluments	663	483
Sums paid to third parties in respect of Directors' services	-	52
Social security and other contributions	47	71
	710	606

The remuneration disclosed is the total remuneration received by the Directors during the year ended 31 March 2022 for services provided to the group headed by Quanesco Topco Limited. Of the remuneration received, £300k was paid by Anesco Limited for the period 1 April 2021 to 10 June 2021 (including bonuses) and the remaining remuneration of £410k was paid by Quanesco Bidco Limited for the remaining period to 31 March 2022, after the employment contracts of the directors were transferred to this new parent company.

The highest paid Director received remuneration of £443,439 (2021: £262,150). The highest paid Director is not a member of the Company's defined contribution pension scheme.

The remuneration of the Director's has been borne by a parent company from 11 June 2022 after employment contracts were transferred from Anesco Limited to Quanesco Bidco Limited.

The Group has not provided any advances, credits and guarantees to, or for the benefit of, any Directors.

8. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 31 March 2022 £' 000	Year to 31 March 2021 £' 000
Other interest receivable	1	1

9. INTEREST PAYABLE AND SIMILAR EXPENSE

	Year to 31 March 2022 £' 000	Year to 31 March 2021 £' 000
Interest payable in relation to loans with equity holders	764	3,726

10. TAXATION

TAXATION	Year to 31 March 2022 £' 000	Year to 31 March 2021 £' 000
Current tax		
UK corporation tax on profits for the period/year	-	241
Adjustment in respect of previous periods	(243)	-
Total current tax	(243)	241
Deferred tax (note 19)		
Origination and reversal of timing differences	(125)	5
Adjustment in respect of previous periods	45	4
Changes to tax rates	12	-
Total deferred tax	(68)	9
Tax credit / (charge) on loss	**(311)**	**250**

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19% (2021: higher than). The calculation is below:

	Year to 31 March 2022 £' 000	Year to 31 March 2021 £' 000
(Loss)/profit before tax	(5,219)	(1,837)
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19.00% (2021: 19%)	(992)	(349)
EFFECTS OF:		
Expenses not deductible for tax purposes	625	707
Income not taxable	(25)	(27)
Adjustments from previous periods	(197)	3
Deferred tax not provided	357	-
Transfer pricing adjustments	(226)	136
Tax rate changes	12	-
Depreciation on intangible assets	-	6
Gains/ Rollover relief	5	1
Group relief /Other reliefs	130	(227)
Total tax credit / (charge) for the period	**(311)**	**250**

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

	Anesco Meter	Development costs	Purchased Goodwill	**Total**
	£	£	£	**£**
Cost or valuation				
As at 1 April 2021	1,949	2,137	527	**4,613**
Additions		586	-	**586**
Transfer	-			-
At 31 March 2022	1,949	2,723	527	**5,199**
Amortisation				
As at 1 April 2021	(1,299)	(731)	(527)	(2,558)
Charge for the period	(194)	(302)	-	(496)
At 31 March 2022	(1,493)	(1,032)	(527)	(3,052)
Net book value				
At 31 March 2022	**455**	**1,691**	-	**2,146**
At 31 March 2021	**649**	**1,406**	-	**2,055**

The useful economic lives of the components of the Anescometer asset are up to 10 years. Included within Development costs is the O&M workflow asset which has a carrying value of £0.8m and a remaining amortisation period of 8 years.

Development costs have been capitalised in accordance with FRS 102 Section 18. Intangible Assets are therefore not treated, for dividend purposes, as a realised loss.

Included in Development costs is £396,913 of internally developed software solutions and technology assets under construction, which is not yet being depreciated.

12. TANGIBLE FIXED ASSETS

	Plant and machinery	Long term leasehold property	Computer equipment	Fixtures and fittings	**Total**
	£	£	£	£	**£**
Cost or valuation					
As at 1 April 2021	92	600	1,621	351	**2,663**
Additions	179	-	145	20	**344**
At 31 March 2022	271	600	1,765	371	**3,006**
Depreciation					
As at 1 April 2021	(84)	(383)	(1,324)	(222)	(2,013)
Charge for the period	(53)	(60)	(122)	(38)	(273)
At 31 March 2022	(137)	(443)	(1,446)	(260)	**(2,286)**
Net book value					
At 31 March 2022	**135**	**158**	**317**	**111**	**721**
At 31 March 2021	**8**	**217**	**296**	**129**	**650**

13. INVENTORY

	2022	**2021**
	£'000	**£' 000**
Raw materials and consumables	944	646
Work in progress	7,148	1,931
	8,092	2,577

During the year an impairment loss of £65k was recorded on raw materials and consumables (2021: £nil).

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£' 000	£' 000
Trade debtors	8,225	6,990
Amounts owed by group undertakings	9,394	27,363
Other debtors	805	1,962
Corporation tax asset	243	-
Prepayments and accrued income	9,806	3,246
Investment in subsidiaries	17	-
	28,490	39,561

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

15. CASH AND CASH EQUIVALENTS

	2022	2021
	£'000	£' 000
Cash at bank and in hand	6,649	12,847

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021 Restated
	£' 000	£'000
Trade Creditors	5,074	1,388
Amounts owed to Company undertakings	1,015	572
Taxation and social security	270	199
Other Creditors	10,046	7,119
Accruals and deferred income	5,018	2,508
Accrued Interest on shareholder loan	-	937
	21,424	**12,723**

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

17. FINANCIAL INSTRUMENTS

During the financial year the loan from the previous shareholders was repaid in full. The Company entered into a Revolving Credit Facility in February 2022 which is secured against the assets of the Group headed by Quanesco Topco Limited. Interest on this new loan is incurred on a daily basis at a rate of a pre-agreed margin percentage above the SONIA (sterling overnight index average) reference rate, payable on a 6-monthly basis until termination date on 9 September 2027 or on demand in the event of default.

	2022 £' 000	2021 £' 000
Loan from shareholders principal	-	24,916
Revolving credit facility drawn down	5,000	-
Deferred finance costs	(132)	(301)
Total loans	4,868	24,615
Accrued interest (included within Creditors: amounts falling due within one year)	28	937
Loan principal	5,000	24,916
Total loan outstanding	5,028	25,853

	2022 £'000	2021 £'000
FINANCIAL ASSETS		
Financial assets measured at amortised cost:		
Cash and cash equivalents	6,649	12,847
Trade debtors	8,225	6,990
Guarantees (included within Other Debtors)	-	1,215
	14,874	21,052
Financial assets measured at fair value through profit or loss:		
Investments in equity instruments	-	4,339
Financial Assets	14,874	25,391
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost:		
Trade creditors	5,074	1,388
Loans and deferred finance costs	4,868	24,615
	9,942	26,003
Financial Liabilities	9,942	26,003

Financial assets comprise cash and cash equivalents trade debtors, finance leases receivable, guarantees (included within other debtors) and investments in listed equity instruments. Financial assets that are debt instruments are measured at amortised cost. Financial liabilities measured at amortised cost comprise trade creditors, loans and deferred finance costs.

18. PROVISIONS

	2022 £'000	2021 £'000
At 1 April	608	-
Charged / (credited) to profit and loss account	(69)	608
At 31 March	539	608

The provision represents the Company's best estimate of likely future economic outflows from the business associated with potential disputed submissions from installers and suppliers within the Company's ECO division.

19. DEFERRED TAX

	2022 £' 000
Provision at start of period	118
Adjustment in respect of prior years	45
Deferred tax charge to income statement for the year	(114)
Provision at end of year	49

	2022 £'000	2021 £'000
Fixed asset timing differences	202	124
Short-term timing differences	-	(6)
Losses	(152)	-
R&D expenditure credit	(1)	-
Tax losses carried forward	49	118

Deferred tax assets and liabilities are offset only where the Company 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 Company.

20. SHARE CAPITAL

	2022 £'000	2021 £'000
Shares classified as equity		
Authorised, allotted, called up and fully paid		
20,187 (2021: 20,187) ordinary shares of £0.01 each	-	-
83,199 (2021: 83,199) A ordinary shares of £0.01 each	1,933	1,933
5,999,200 (2021: 5,999,200) preference shares of £1 each	6,000	6,000
	7,933	7,933

Rights of ordinary shares and A ordinary shares
Ordinary shares and A ordinary shares rank pari passu with regards to dividend payments, distributions arising from winding up of the Company and other distributions, but in subordination to preference shares. A ordinary shares are entitled to vote in any circumstances.

Rights of preference shares
Each share is entitled to a preferential dividend payment in priority to ordinary and A ordinary shares and to a preferential distribution arising from the winding up of the Company. Each share is entitled to one vote but only on a resolution to wind up the Company or to vary the rights of the preference shares.

21. SHARE PREMIUM

The share premium account includes the premium on issue of equity shares, net of any issue costs. The share premium reserve arose on 26 November 2014 when the Company's shares were sold for more than nominal value.

22. PROFIT AND LOSS

The profit and loss account arises from the retained earnings of the Company and includes the effect of prior period restatements. No dividends have been paid or proposed in relation to the period.

23. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge in the period amounted to £163k (2021: £159k).

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

24. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2022 £' 000	2021 £' 000
Not later than 1 year	336	488
Later than 1 year and not later than 5 years	664	1,080
Later than 5 years		17
	1,000	1,585

25. RELATED PARTY TRANSACTIONS

The Company 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 Quanesco Topco Limited on the grounds that 100% of the voting rights in the group are controlled within that group and the Company is included in the consolidated financial statements.

During the period ended 31 March 2022, the Company undertook the following transactions with related parties:

- Engineering services rendered from PX Engineering Consultants, a sister company in the group headed by Quanesco Topco Limited by virtue of a common parent company. The total expense incurred in respect of these services received was £7,066.

Other transactions with related parties comprise remuneration of directors (as disclosed in note 7) and the signing of a new loan agreement with a parent company post balance sheet date (see subsequent events disclosure in note 30). Key management for the Company are deemed to be the CEO and CFO who are also directors and therefore their remuneration is already disclosed in note 7.

26. INVESTMENT IN SUBSIDIARIES

	2022 £' 000	2021 £' 000
Cost and carrying value		
At 1 April 2021 and 31 March 2022	17	0

All subsidiaries of Anesco Limited as at 31 March 2022 have the registered office at The Green, Easter Park, Benyon Road, RG7 2PQ with the exception of Anesco B.V which is registered in the Netherlands B.V with registered office at Hofplein 20, 3032 AC Rotterdam.

26. INVESTMENT IN SUBSIDIARIES (continued)

Subsidiary Undertakings	Registration Number	Effective Holding	%	Principal Activity
Alfreton Solar Limited	13730231	Ordinary Shares	100%	SPV
Bishopstone Solar Limited	13732467	Ordinary Shares	100%	SPV
Sampshill Solar Limited	13732552	Ordinary Shares	100%	SPV
Woodwalton Solar Limited	13736021	Ordinary Shares	100%	SPV
High Meadow 2 Solar Limited	13737364	Ordinary Shares	100%	SPV
Anesco Nederland B.V.	85278289	Ordinary Shares	100%	Development in NL
Iddenshall Solar Limited	13933318	Ordinary Shares	100%	SPV
Chapel Lane Energy Storage Limited	13933410	Ordinary Shares	100%	SPV

27. *ULTIMATE PARENT COMPANY AND CONTROLLING PARTY*

The immediate parent company continues to be Anesco Bidco 1 Limited and the ultimate parent company is Quanesco Topco Limited. The ultimate parent of the Company is a fund managed by Ara Advisors, LLC and the Company is controlled by Ara Advisors, LLC.

28. POST BALANCE SHEET EVENTS

Adjusting Events

ECO3 disputed Claims

After the balance sheet date and following the cessation of the government ECO3 scheme in March 2022, Anesco Ltd received results of the audits of submitted measures undertaken by the regulator OFGEM over the ECO measures submitted by utility companies over the course of the 3-year scheme. The disputed submissions notified to us via the utilities were on the basis of either inaccurate or insufficiently supported measures which gave rise to a total anticipated liability to utilities of £5.1m, £3.2m of which related to revenue recognised within prior reporting periods. Ultimate liability of the rejections resides with our related suppliers of the rejected measures, however, based on the doubtful recoverability of any claims to end suppliers, many of whom are no longer trading, management have recognised the full impact of £5.1m as a deduction from revenue or retained earnings brought forward, as appropriate, within these financial statements. Refer to Note 29 for details of the corresponding restatement to the comparative figures in these financial statements. A liability of £5.1m is included in Other Creditors, much of which has been settled post period end. It is expected that the full liability will be extinguished in the next financial year.

Non-adjusting Events

New loan facilities

Following the period end on 9th September 2022:

- Anesco Ltd entered into a new loan agreement with a parent company. The £16m principal of the loan will incur daily interest charges at a rate of 10%, capitalizable on to the principal of the loan on a quarterly basis, until either the loan is repaid, or equity-conversion option exercised by the termination date of 9 August 2022. The loan is repayable on demand. Management have considered this undertaking within their assessment of the Company as a going concern.

28. POST BALANCE SHEET EVENTS (continued)

- The Company settled the £5m balance drawn down as at 31 March 2022, payable to Santander UK PLC under a rolling cash facility arrangement, along with a further £4m balance that was subsequently withdrawn in June 2022. On the same date, the RCF agreement was amended to reduce the total available facility to £9m which was then fully withdrawn. Interest on the new loan is incurred on a daily basis at a rate of a pre-agreed margin percentage above the SONIA (sterling overnight index average) reference rate, payable on a 6-monthly basis until repayment or termination date on 9 September 2027.

29. RESTATEMENT

During the year, the Company was notified of disputed submissions made over the course of the ECO3 scheme, as detailed further in Note 28. As a result, £3.2m of revenue from prior periods has been derecognized by the Company, reflected in a reduction in retained earnings (£2.7m for the year ended 31 March 2021 and £0.5m for previous periods). The comparative figures in the primary statements and the notes have been restated to reflect the prior period material errors. Their impact on the profit and loss account and the balance sheet are detailed below:

Statement of Comprehensive Income:

	Prior year as previously stated £'000	Prior year adjustment £'000	Prior year as restated £'000
Revenue	62,733	(2,727)	60,006
Cost of sales	(47,699)	-	(47,699)
GROSS PROFIT	15,034	(2,727)	12,307
Administrative expenses	(11,838)	-	(11,838)
Other income	188	-	188
OPERATING (LOSS)/PROFIT	3,384	(2,727)	657
Profit & Loss on Disposal	(1,496)	-	(1,496)
Interest receivable and similar income	1	-	1
Interest payable and similar expenses	(3,726)	-	(3,726)
(LOSS)/PROFIT BEFORE TAXATION	(1,837)	(2,727)	(4,564)
Tax charge on loss/profit	(250)	-	(250)
(LOSS)/PROFIT FOR THE YEAR/PERIOD	(2,087)	(2,727)	(4,814)

29. RESTATEMENT *(continued)*

Statement of financial position

	Prior year as previously stated	Prior year adjustment	Prior year as restated
	£' 000	£' 000	£' 000
FIXED ASSETS			
Intangible assets	2,055	-	2,055
Tangible assets	650	-	650
	2,705	-	2,705
CURRENT ASSETS			
Inventory	2,577	-	2,577
Debtors: amounts falling due within one year	39,561	-	39,561
Investments in equity instruments	4,339	-	4,339
Cash and cash equivalents	12,847	-	12,847
	59,324	-	59,324
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	(9,571)	(3,152)	(12,723)
Loans payable to shareholders	(24,615)	-	(24,615)
NET CURRENT ASSETS	25,138	(3,152)	21,986
Total assets less current liabilities	**27,843**	**(3,152)**	**24,691**
PROVISIONS FOR LIABILITIES			
Provisions	(608)	-	(608)
Deferred taxation	(118)	-	(118)
NET ASSETS	**27,117**	**(3,152)**	**23,965**
Capital and reserves			
Called up share capital	6,000	-	6,000
Share premium account	1,933	-	1,933
Profit and loss account	19,184	(3,152)	16,032
Total equity	**27,117**	**(3,152)**	**23,965**