DocuSign Envelope ID: BE3368BB-0EA7-4426-A4A2-A494DF092182

REGISTERED NUMBER: **10473926 (England and Wales)**

Vantage Solar UK Limited
Annual Report and Financial Statements
for the Year Ended 31 December 2022

FRIDAY

ACCL49YP

A47 22/09/2023 #15

COMPANIES HOUSE

Vantage Solar UK Limited
Contents of the Financial Statements
for the Year Ended 31 December 2022

Vantage Solar UK Limited
Company Information
for the Year Ended 31 December 2022

DIRECTORS:	H B Ismail V R Davys N Othman H H B Sallahuddin S B Hassan M Z B M Hashim
REGISTERED OFFICE:	1st Floor Sackville House 143-149 Fenchurch Street London England EC3M 6BL
REGISTERED NUMBER:	10473926 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP Chartered Accountants 40 Clarendon Road Watford, Hertfordshire United Kingdom WD17 1JJ

PRINCIPAL ACTIVITIES

Vantage Solar UK Limited, and its wholly owned subsidiaries (the "Group") seek to achieve risk adjusted returns through investments in a variety of large scale solar photovoltaic (PV) power generating projects in the United Kingdom. The Company's business objective is to acquire assets with high-quality contracted cash flows, primarily from owning clean power generation assets.

The principal activity of the Company is a Holding Company and provides management services to the subsidiaries.

BUSINESS REVIEW

The Group's generation profile witnessed an increase in the year, reaching 365.9 GWh (2021: 336.9 GWh), marking an 8.6% year on year increase owing to improved weather conditions. Despite a slight increased irradiance of 1,248 KWh/m2 (2021: 1,156 KWh/m2) on average across the sites, the increase in the ROC and Export Electricity prices were the main drivers behind the overall increased revenue of £51.5 million (2021: £46.4 million) showing a 10.99% increase. Operating costs showed a slight decrease of 2.33% year on year compared to 2021. As a result, the Group realized an EBITDA (equal to operating profit plus depreciation) of £43.6 million in the year (2021: £38.6 million), marking an increase of 12.95%. Consequently, the EBITDA margin increased slightly from 83.2% in 2021 to 84.7% in 2022.

The cash balance as at 31 December 2022 was £37.5 million (2021: £22.9 million), the Group has sustained steady levels of distribution to its shareholder. The Group's net assets stood at £21.6 million (2021: £17.4 million) showing a 24.1% increase owing primarily to an increase in revenues. All sites have fixed their offtake prices for Winter 2022 (Oct22 - Mar23), Summer 2023 (Apr23 - Sep23) and Winter 2023 (Oct23 - Mar24), mitigating financial risks and allowing performance to reach acceptable levels. The Directors believe that the Group is well positioned to keep performing sustainably and will continue to focus on improving the assets' operating performance while mitigating any further financial and operational risks.

The results for the year and the financial position of the Company are shown in these consolidated Group and Company financial statements. See the specific key performance indicators below:

KEY PERFORMANCE INDICATORS

The results for the year 31 December 2022 for the Group and the Company are shown in these financial statements. During the year the Group had a turnover of £51.5 million (2021: £46.4 million). At 31 December 2022, the Group had net assets of £21.6 million (2021: £17.4 million) and a cash balance of £37.5 million (2021: £22.9 million) to support working capital, investment, and growth. The Directors are confident the Group and the Company will maintain their position in 2023.

The key financial and other performance indicators during the year were as follows:

	Year Ended 31-Dec-22	**Year Ended 31-Dec-21**
Revenue	£51,542,877	£46,441,672
Gross Profit as % of Revenue	89.7%	90.3%
Operating Profit as % of Revenue	47.4%	41.3%
Electricity generation (megawatt hours)	365,937	336,951

PRINCIPAL RISKS, FINANCIAL RISKS AND UNCERTAINTIES

Market Risk

A portion of the Group's revenue is collected through sales of power to electricity distributors via power purchase agreements. The prices at which this power is sold can either be fixed or float in relation to a market index and as a consequence the Group can be exposed to power market fluctuations. It is the Group's policy to limit its market exposure by keeping the majority of its revenues, including sales of power, on fixed price remuneration or indexed subsidy schemes.

The Group mitigates its exposure to the risk of cost inflation through a strict budgeting process, in which there are minimal operational costs inflated by RPI. The rising energy prices will also prove beneficial to the Group outside the scope of the fixed PPA contracts as the higher revenue will offset against any incidental costs. Consequently, the conflict between Russia and Ukraine and the financial crisis inflicted in 2022 has had no adverse impact on the financial performance and financial position of the Company and the Group as a whole. Revenue has increased significantly from prior year whilst costs have remained relatively stable. The Group will continue to monitor developments in the situation and the impact on economic activity for 2023.

The Group also has exposure to "Renewable Obligation Certificate ("ROC") prices and changes in forecast ROC recycle prices. ROC recycle prices are estimated using current market information to evaluate the likely ROC recycle price on top of the ROC buyout prices. The Group adjusts ROC recycle revenue accruals as market knowledge is gained. In order to mitigate fluctuations in the market interest rate, the Group also entered into a fixed interest rate facility.

Foreign Exchange Risk

The Group and the Company are not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the Group and the Company operates.

Credit Risk

The Group and the Company's exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the Group and the Company, including those involved in derivative transactions, are considered by management to be of high quality, investment grade credit rating. The maximum credit exposure at reporting date are the carrying value of the credit balances if any. However, in 2022, the Group terminated the derivatives and entered into a fixed interest rate loan. The Directors therefore feel that the Group and the Company's credit risk is limited.

Liquidity Risk

The Group and the Company monitors its risk of a shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and liabilities.

The primary objective of the Group and the Company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The Group and the Company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The Group and the Company's policy is to finance its operations through cash generated from operations and external finance. It is the Group and the Company's policy not to hold financial instruments for speculative purposes.

The wholesale power prices market continues to recover in 2022 and is now trading at levels above the prices experienced previously. As a result, the Vantage Solar Group has fixed prices for all 24 PPA sites.

The management has considered the risks on the Company and has concluded that the only significant risk resides with the market power prices received under the portfolio's PPAs in case of a long-term downward trend. However, substantial mitigations exist as listed below:

- the majority of the portfolio's revenues is generated by ROC subsidies which are independent from market movements.
- the portfolio has fixed the offtake price for Winter 2022 (Oct22 - Mar23) at an average of £60/MWh as well as Summer 2023 (Apr23 - Sep23) at an average of £123/MWh and Winter 2023 (Oct23 - Mar24) at an average of £134/MWh.

As a result, the management has concluded that there is no threat to the long term operations of the Company and its portfolio. Management believes that the Company will continue to operate as a going concern for the foreseeable future.

Energy resource Risk
The Group's revenue is dependent on the amount of energy (solar irradiation) received on the sites where its power stations are located. As such the Group is exposed to an energy resource risk. This is measured by precise on-site as well as satellite-based monitoring and assessed against long term forecasts procured from independent advisors. The geographical spread of generation sites provides mitigation against natural weather variances.

Operating risk
By nature of its business, the Group is exposed to a risk of mechanical breakdowns and electrical failures. This is mitigated by the appointment of experienced and appropriately trained staff to monitor the state of the production system at each site and implement a maintenance plan following the industry's best practices guidelines. The Group also operates a continuous replenishment procedure to maintain an adequate stock level of spare parts to keep high availability rates across its portfolio.

Section 172(1) *Statement*
The Directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term.

Key decisions and matters that are of strategic importance to the Group are appropriately informed by s172 factors. Through an open and transparent dialogue with key stakeholders, the Directors have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on the Group's strategic ambition and culture. As part of the Directors' decision-making processes, the Directors consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Group's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

The Group's key stakeholders (aside from its members) are its customers ('off-takers'), suppliers and finance providers. As a solar energy generator, the Group has a responsibility to conduct its affairs in such a manner that benefits the communities in which it operates, as well as the planet as a whole. The Group engages with specialist renewable energy asset managers and O&M technicians to ensure that these strategies and principles are being upheld at an operational level, whilst continuing to create value for the members and ensuring that it meets its requirements to the finance providers.

ON BEHALF OF THE BOARD:

.... Date: 27 June 2023

Director: Mr V R Davys

The Directors present their annual report with the audited consolidated financial statements for the year ended 31 December 2022.

EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

DIRECTORS

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

- J Mohd Roslie (resigned 13 June 2022)
- Y B M Yusof (resigned 13 June 2022)
- A S B Mohd Asri (resigned 13 June 2022)
- H B Ismail
- V R Davys
- N Othman
- M Z B M Hashim (appointed 13 June 2022)
- S B Hassan (appointed 13 June 2022)
- H H B Sallahuddin (appointed 13 June 2022)

GOING CONCERN

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds, through its subsidiary companies, to meet its liabilities as they fall due for that period.

The subsidiary companies consist of holding companies and operational solar parks. The operating solar parks generate cash which is then passed through intermediate holding companies in the Vantage Solar UK4 Limited group of companies (the 'Group') so that each fellow subsidiary is able to settle their liabilities as they fall due. The Group is funded by way of a £97m shareholder loan which is repayable by Vantage Solar UK3 Limited and an external bank loan which is repayable by Vantage Solar UK Limited of which a liability of £273m (2021: £269m) remains as at 31 December 2022. The Group has secured this external financing with a non-banking institution to replace the existing external loans. The new financing offers more favourable terms. The shareholder loan is repayable at the Group's discretion or as a bullet payment in September 2027. A letter of support has been provided by the Group's parent company, Vantage RE Limited, confirming support for at least 12 months from the date of approval of the financial statements year ended 31 December 2022.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

MATTERS COVERED IN THE STRATEGIC REPORT

Discussion of going concern, market and financial risks, future developments and payment of dividends have been included in the Strategic Report and have been taken into consideration by the Directors.

RESULTS AND DIVIDENDS

During the year the Group made a profit after tax of £1,821,041 (2021: loss after tax of £2,900,727) and the Company made a loss after tax of £7,961,969 (2021: loss after tax of £428,121).

The Directors do not propose a dividend (2021: £nil).

FUTURE DEVELOPMENTS

The Company will continue to manage the operations of its solar plants within its subsidiaries.

ENERGY AND CARBON REPORTING

The below table and supporting narrative summarise the Streamlined Energy and Carbon Reporting (SECR) disclosure in line with the requirements for a "large" group, as per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

UK energy use and associated greenhouse gas emissions:

As the Group has outsourced its day-to-day activities to third parties, there are no significant greenhouse gas emissions from its direct operations. In relation to the Group's investments, the main greenhouse gas emissions arise from electricity imports and from operation and maintenance activity.

	Year Ended 31-Dec-22	Year Ended 31-Dec-21
Electricity consumption - MWh	3,220	3,257
Associated emissions from electricity consumption – tonnes CO_2	752	760
Estimated mileage from operations and maintenance activity ('000 miles)	96	114
Emissions from operations and maintenance activity – tonnes CO_2	35	49
Intensity ratio – total tonnes CO_2 per electricity generation (GWh)	2.2	2.4
Intensity ratio – total tonnes CO_2 per revenue (£m)	15.3	17.4

Consumption data was determined by using site meter data. Estimated mileage from operations and maintenance activity was derived from vehicle tracking systems.

Associated emissions were determined by applying the UK government conversion factors to the relevant activity.

Energy efficiency action taken

As the core function of the Group's assets is renewable (solar) energy generators, they reduce carbon dioxide emissions on a net basis, see table below for further details:

	Year Ended 31-Dec-22	Year Ended 31-Dec-21
Electricity generation - MWh	365,937	336,951
Equivalent number of households powered in the year	98,902	91,068
Equivalent tonnes of CO_2 avoided	85,413	78,648

EXEMPTION FROM PREPARING PROFIT AND LOSS ACCOUNT

The Directors have taken advantage of the exemption provided by section 408 of the Companies Act 2006 and not prepared the Company statement of Profit and Loss and related notes.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP were appointed as auditors to the Company and in accordance with the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

ON BEHALF OF THE BOARD:

....

Mr V R Davys - Director

Date: 27 June 2023

REGISTERED OFFICE ADDRESS: 1st Floor Sackville House, 143-149 Fenchurch Street, London, England, EC3M 6BL

Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' Report and the Financial Statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

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

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

....

Mr V R Davys - Director

Date: 27 June 2023

Independent auditors' report to the members of Vantage Solar UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Vantage Solar UK Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's profit and the group's and company's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated statement of financial position and the company statement of financial position as at 31 December 2022; the consolidated statement of comprehensive income, the consolidated and company statement of changes in equity and the consolidated and company statements of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the Strategic Report, Directors' Report and Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 auditors' 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to environment, health and safety, office of gas and electricity markets, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006 and tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management and directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities by performing walkthroughs over controls to understand the controls. However, we have not relied on controls as substantive procedures are determined to be more effective for this audit;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to accrued income and provision for asset retirement obligation;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

John Dashwood

John Dashwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
27 June 2023

Vantage Solar UK Limited
Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2022

	Note	Group	
		Year Ended 31-Dec-22	Year Ended 31-Dec-21
		£	£
Revenue	3	51,542,877	46,441,672
Cost of Sales		(5,328,833)	(4,511,721)
GROSS PROFIT		**46,214,044**	**41,929,951**
Administrative expenses		(21,769,118)	(22,288,931)
OPERATING PROFIT		**24,444,926**	**19,641,020**
Finance costs		(20,944,298)	(19,951,705)
Finance income		375	710
Net finance costs	6	**(20,943,923)**	**(19,950,995)**
PROFIT/(LOSS) BEFORE TAX	4	**3,501,003**	**(309,975)**
Taxation	7	(1,679,962)	(2,590,752)
PROFIT/(LOSS) FOR THE YEAR		**1,821,041**	**(2,900,727)**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Effective portion of changes in fair value of cashflow hedges, net of tax		2,326,269	11,919,904
Net change in fair value of cash flow hedges		**2,326,269**	**11,919,904**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,147,310**	**9,019,177**
Attributable to:			
Profit/(Loss) attributable to the equity holders of the parent		1,821,041	(2,900,727)
Other comprehensive income attributable to the equity holders of the parent		2,326,269	11,919,904
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**4,147,310**	**9,019,177**

The accompanying notes form part of these financial statements.

Vantage Solar UK Limited
Consolidated Statement of Financial Position
As at 31 December 2022

	Note	Group 31-Dec-22 £	Group 31-Dec-21 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	413,582,476	430,827,006
Total non-current assets		413,582,476	430,827,006
CURRENT ASSETS			
Inventory		1,248,841	623,813
Trade and other receivables	11	13,440,504	13,399,339
Cash and cash equivalents	12	37,531,382	22,863,968
Total current assets		52,220,727	36,887,120
TOTAL ASSETS		**465,803,203**	**467,714,126**
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	13	1,000,000	1,000,000
Accumulated deficit	14	(25,738,094)	(27,559,135)
Hedge reserve		-	(2,326,269)
Share premium	13	46,327,860	46,327,860
TOTAL EQUITY		**21,589,766**	**17,442,456**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities	15	374,620,827	377,850,489
Deferred tax	10	7,074,883	5,151,672
Provisions	17	30,379,764	28,654,389
Total non-current liabilities		412,075,474	411,656,550
CURRENT LIABILITIES			
Financial liabilities	15	28,456,153	32,177,795
Trade and other payables	18	3,379,389	3,430,315
Corporation tax	18	302,421	135,073
Derivative liability	19	-	2,871,937
Total current liabilities	18	32,137,963	38,615,120
TOTAL LIABILITIES		**444,213,437**	**450,271,670**
TOTAL EQUITY AND LIABILITIES		**465,803,203**	**467,714,126**

The financial statements on pages 12 to 56 were approved and authorised for issue by the Board of Directors on 27 June 2023 ..... and were signed on its behalf by:

....

Mr V R Davys - Director
Registered No: **10473926**

Vantage Solar UK Limited
Company Statement of Financial Position
As at 31 December 2022

	Note	Company 31-Dec-22 £	Company 31-Dec-21 £
ASSETS			
NON-CURRENT ASSETS			
Investment in subsidiaries	9	108,718,088	108,718,088
Total non-current assets		108,718,088	108,718,088
CURRENT ASSETS			
Trade and other receivables	11	306,243,288	319,496,710
Cash and cash equivalents	12	36,331,385	20,748,545
Total current assets		342,574,673	340,245,255
TOTAL ASSETS		**451,292,761**	**448,963,343**
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	13	1,000,000	1,000,000
Accumulated deficit	14	(13,000,741)	(5,038,772)
Hedge reserve		-	(2,871,937)
Share premium	13	46,327,860	46,327,860
TOTAL EQUITY		**34,327,119**	**39,417,151**
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities	15	349,664,766	353,251,692
Total non-current liabilities		349,664,766	353,251,692
CURRENT LIABILTIES			
Financial liabilities	15	27,097,090	31,370,117
Trade and other payables	18	40,203,786	22,052,446
Derivative liability	19	-	2,871,937
Total current liabilities	18	67,300,876	56,294,500
TOTAL LIABILITIES		**416,965,642**	**409,546,192**
TOTAL EQUITY AND LIABILITIES		**451,292,761**	**448,963,343**

Included within the accumulated deficit is a loss for year of £7,961,969 (2021: loss for the year of £428,121).

The financial statements on pages 12 to 56 were approved and authorised for issue by the Board of Directors on ....27 June 2023.......and were signed on its behalf by:

....

Mr V R Davys - Director
Registered No: **10473926**

Vantage Solar UK Limited
Consolidated and Company Statements of Changes in Equity
for the Year Ended 31 December 2022

GROUP

	Called up Share Capital (Note 13)	Share Premium (Note 13)	Accumulated deficit (Note 14)	Hedge Reserve (Note 19)	Total equity
	£	£	£	£	£
Balance at 1 January 2021	1,000,000	46,327,860	(24,658,408)	(14,246,173)	8,423,279
Net loss	-	-	(2,900,727)	-	(2,900,727)
Other comprehensive loss	-	-	-	11,919,904	11,919,904
Balance at 31 December 2021	1,000,000	46,327,860	(27,559,135)	(2,326,269)	17,442,456
Net profit	-	-	1,821,041	-	1,821,041
Other comprehensive income	-	-	-	2,326,269	2,326,269
Balance at 31 December 2022	**1,000,000**	**46,327,860**	**(25,738,094)**	**-**	**21,589,766**

COMPANY

	Called up Share Capital (Note 13)	Share Premium (Note 13)	Accumulated deficit (Note 14)	Hedge Reserve (Note 19)	Total equity
	£	£	£	£	£
Balance at 1 January 2021	1,000,000	46,327,860	(4,610,651)	(17,587,868)	25,129,341
Net loss	-	-	(428,121)	-	(428,121)
Other comprehensive loss	-	-	-	14,715,931	14,715,931
Balance at 31 December 2021	1,000,000	46,327,860	(5,038,772)	(2,871,937)	39,417,151
Net loss	-	-	(7,961,969)	-	(7,961,969)
Other comprehensive income	-	-	-	2,871,937	2,871,937
Balance at 31 December 2022	**1,000,000**	**46,327,860**	**(13,000,741)**	**-**	**34,327,119**

Vantage Solar UK Limited
Consolidated and Company Statements of Cash Flows
for the Year Ended 31 December 2022

		Group		Company	
		Year Ended 31-Dec-22 £	**Year Ended 31-Dec-21 £**	**Year Ended 31-Dec-22 £**	**Year Ended 31-Dec-21 £**
Cash flows from operating activities	Note				
Profit/(loss) for the year		1,821,041	(2,900,727)	(7,961,969)	(428,121)
Adjusted for:					
Depreciation charges		19,153,865	19,004,669	-	-
Lease premium expense		24,982	-	-	-
Accretion expense		1,176,937	355,048	-	-
Intercompany interest expense		9,069,489	9,291,203	9,069,489	9,291,203
Intercompany interest income		-	-	(9,996,563)	(17,905,245)
Bank interest expense		6,852,606	8,358,569	6,852,606	8,358,569
Swap breakage fee		(653,800)	-	(653,800)	-
Amortisation of lender fees		5,503,953	387,908	5,503,953	387,908
DSRF commitment fee expense		-	145,475	-	145,475
Bank fees		5,245	6,536	992	1,841
Bank interest received		(375)	(710)	(51)	(390)
Interest expense on lease liabilities		1,430,023	1,406,966	-	-
Taxation		1,377,541	2,590,752	-	-
		45,761,507	**38,645,689**	**2,814,657**	**(148,760)**
Decrease/(increase) in trade and other receivables		393,607	(3,548,110)	13,253,422	(2,396,062)
Decrease in trade and other payables		(2,744,266)	(251,183)	(20,458,049)	(248,384)
(Increase)/decrease in inventory		(625,028)	81,385	-	-
Cash generated from / (used in) operations		**42,785,820**	**34,927,781**	**(4,389,970)**	**(2,793,206)**
Interest paid		(22,950,751)	(13,990,538)	(22,946,498)	(13,985,844)
Interest received		375	710	45,770,295	35,299,242
Corporate tax paid		(146,000)	-	(146,000)	-
Net cash generated from operating activities		**19,689,444**	**20,937,953**	**18,287,827**	**18,520,192**
Cash flows from investing activities					
Purchase of fixed assets		(11,411)	(160,969)	-	-
Net cash used in investing activities		**(11,411)**	**(160,969)**	**-**	**-**
Cash flows from financing activities					
Payment of lease liabilities		(2,305,632)	(2,180,884)	-	-
External loan repayment		(3,900,341)	(13,550,781)	(3,900,341)	(13,550,781)
Receipt from early termination of derivatives		1,195,354	-	1,195,354	-
Net cash used in financing activities		**(5,010,619)**	**(15,731,665)**	**(2,704,987)**	**(13,550,781)**
Increase in cash and cash equivalents		14,667,414	5,045,319	15,582,840	4,969,411
Cash and cash equivalents at beginning of year		22,863,968	17,818,649	20,748,545	15,779,134
Cash and cash equivalents at end of year	12	**37,531,382**	**22,863,968**	**36,331,385**	**20,748,545**

1. GENERAL INFORMATION

Vantage Solar UK Limited (the "Company") (Registered Number: 10473926) is a private company limited by shares domiciled and registered in England, United Kingdom under the Companies Act 2006. The address of the registered office is 1st Floor Sackville House, 143-149 Fenchurch Street, London, EC3M 6BL. The registered address changed from 2 New Bailey, 6 Stanley Street, Salford, Greater Manchester, M3 5GS on 29 March 2023.

The group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group"). The parent company financial statements present information about the Company as a separate entity and not about its group.

These financial statements are presented in sterling pounds because that is the currency of the primary economic environment in which the Company operates.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these group financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below in note 2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The Group and Company financial statements have been prepared and approved by the Directors in accordance with UK-adopted international accounting standards (UK-adopted IAS) in conformity with the requirements of the Companies Act 2006 and applicable laws and regulations.

The financial statements have been prepared under historic cost convention, except as disclosed in the summary of significant accounting policies, such as certain financial instruments have been measured at fair value. The accounting policies have been applied consistently.

On publishing the parent company financial statements here together with the group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of these approved financial statements.

Going concern
The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that the Group will have sufficient funds, through its subsidiary companies, to meet its liabilities as they fall due for that period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Going concern - continued
The subsidiary companies consist of holding companies and operational solar parks. The operating solar parks generate cash which is then passed through intermediate holding companies in the Vantage Solar UK4 Limited group of companies (the 'Group') so that each fellow subsidiary is able to settle their liabilities as they fall due. The Group is funded by way of a £97m shareholder loan which is repayable by Vantage Solar UK3 Limited and an external bank loan which is repayable by Vantage Solar UK Limited of which a liability of £273m (2021: £269m) remains as at 31 December 2022. The Group has secured this external financing with a non-banking institution to replace the existing external loans. The new financing offers more favourable terms. The shareholder loan is repayable at the Group's discretion or as a bullet payment in September 2027. A letter of support has been provided by the Group's parent company, Vantage RE Limited, confirming support for at least 12 months from the date of approval of the financial statements year ended 31 December 2022.

Consequently, the Directors are confident that the Group will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

Standards issued but not yet effective
During the current year the following newly applicable International Financial Reporting Standards (IFRSs) came into effect and its interpretations have no material effect on the Company's financial statements:

- Property, Plant and Equipment – The amendment to IAS 16 Property, plant and equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

  Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.
- IFRS 3 – Reference to the 2018 Conceptual Framework – Minor amendments were made to IFRS 3 business combinations to update the references to the conceptual framework for financial reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 provisions, contingent liabilities and contingent assets and interpretation 21 levies. The amendments also confirm that contingent assets should no be recognised at the acquisition date.
- Onerous contracts – The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises ay impairment loss that has occurred on assets used in fulfilling the contract.
- Annual improvements to IFRS Standards.
  - IFRS 9 Financial Instruments – Clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
  - IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
  - IFRS 1 First-time adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using he amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.
- Amendments to IAS 1, Classification of Liabilities as Current or Non-current relates solely to the presentation of debt and other liabilities in the Statement of Financial Position. This clarifies that a liability must be classified as non-current if the entity has a right at the reporting date to defer settlement of the liability for at least 12 months after the reporting date. The determining factor is that such a right exists; no intention to exercise that is required.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Standards issued but not yet effective – continued

At the date of authorisation of these financial statements, the following significant standards and interpretations were in issue and effective, but have not been applied as their application is not yet mandatory:

- The IAS 8 Amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. In addition to how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.
- IAS 12 (Income taxes) – the main change in deferred tax relates to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments provide an exemption from initial recognition exemption provided in IAS 12.15(b) and IAS 12.24. Accordingly, the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. This amendment is effective for financial periods beginning on or after 1 January 2023.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Group or Company in future periods.

Basis of Consolidation
The consolidated financial statements of Vantage Solar UK Limited include the results of the Company and its wholly owned subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group.

Control over subsidiaries
At the year end the Company controls 34 subsidiaries, holding 100% of the share capital of these entities. Further details are contained in Note 9, "Investment in Subsidiaries".

Revenue recognition
Revenue comprises the value of electricity generated, Renewable Obligation Certificates ('ROC' Buyout and Recycle) and other embedded benefits income.

ROCs are issued to the Company by the government as evidence that the MWh of electricity has been generated by a qualifying accredited renewable generator for the purposes of renewable obligations. The value of a ROC is the ROC Buyout (fixed in advance) plus the ROC Recycle (determined after the compliance period dependent on the number of ROCS submitted in that period). As the ROC Recycle price is not published until approximately 6 months following the end of the compliance period (ending 31 March 2023), the ROC Recycle to be received for the current compliance period as at 31 December 2022 is an estimate. A third party estimate has been used to determine the price of ROC's which is reflective of the management's best estimate.

Revenue from sale of electricity, ROCs (Buyout and Recycle) and other embedded benefits income is recognised in the period in which the output is delivered at which point the Company's obligation under the PPA is completed and the rights to receive revenue become unconditional. All electricity generated which has not been invoiced at year end is recognised as accrued income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Current versus non-current classification
The Group/Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group/Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Measurement convention
The financial statements have been prepared under historical cost convention.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. Included within property, plant and equipment are decommissioning assets and right of use assets. Items of property, plant and equipment are depreciated to their estimated residual values on a straight-line basis over their expected useful lives as follows:

Solar Photovoltaic (PV) assets - over 30 years
Decommissioning assets – over the shorter of 30 years and the life of the leased site
Right of use asset – over the life of the leased site

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

Decommissioning provision
Liabilities for decommissioning costs are recognised when the Group/Company has an obligation to dismantle and remove the Solar PV equipment and to restore the land on which it is located. Liabilities may arise upon construction of such facilities, upon acquisition or through a subsequent change in legislation or regulations. The amount recognised is the estimated present value of expenditure determined in accordance with local conditions and requirements. A corresponding item of property, plant and equipment equivalent to the provision is also created.

Any changes in the present value of the estimated expenditure is added to or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of non-financial assets
The Group/Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group/Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Finance Instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets

(a) Classification
On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:
-it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
-its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions:
-it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
-its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

Investments in subsidiaries are carried at cost less impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(ii) Classification and subsequent measurement - continued

Cash and cash equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

(b) Subsequent measurement and gains and losses

Financial assets at FVTPL - these assets (other than derivatives designated as hedging instruments) are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI - these assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI - these assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derivative financial instruments and hedging

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

Cash flow hedges
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

When the forecast transaction subsequently results in the recognition of a non-financial item the associated cumulative gain or loss is removed from the hedging reserve and is included in the initial carrying amount of the non-financial asset or liability.

For all other hedged forecast transactions, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged expected future cash flows affects profit or loss.

When the hedging instrument is sold, expires, is terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

(iv) Impairment

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost and debt investments measured at FVOCI. As at 31 December 2022, there were no ECL's and therefore no allowances have been made.

The Group measures loss allowances at an amount equal to lifetime ECL, except for other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12-month ECL.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

Intercompany Receivables
IFRS 9 'Financial Instruments' sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard includes the requirement that impairment models consider the expected credit losses on an entity's financial assets held at amortised cost and commitments to extend credit. As a result of this forward-looking model – which removes the requirement for a "trigger event" to have occurred – earlier recognition of credit losses may occur.

Intercompany receivables are recognised initially at fair value and measured subsequently at amortised cost less provision for impairment. Impairment is assessed based on the cash generating unit that supports the receivable balance. This groups together receivables with the investees and these are assessed collectively for impairment based on the total recoverable amount of the cash generating unit.

Leases as a lessee
The Group accounts for leases using IFRS 16. At the inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Leases as a lessee - *continued*
Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise,
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'Financial liabilities – interest bearing loans ' in the statement of financial position.

Taxation
Corporation tax is calculated at the tax rates enacted or substantially enacted at the balance sheet date. No corporation tax arises on the loss during the year. Deferred tax has not been recognised on the loss carried forward as the timing of future profit against which this can be recovered is uncertain.

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Capital risk management
The Company/Group's objective when managing capital are to safeguard the Company/Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Total capital is calculated as "equity' as shown in the balance sheet plus net debt. The loan balances represent intercompany loans.

Key accounting estimates and assumptions
The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts assets and liabilities. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values that are not readily apparent from other sources. Actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The most critical accounting policies and estimates in determining the financial condition and results of the Company are those requiring a greater degree of subjective or complete judgement.

Although these estimates are based on management's best knowledge of the amounts, events, or actions, actual results may ultimately differ from these estimates.

Revenue relating to the accrued income for Renewable Obligation Certificates (ROCs)
The number of ROCs are calculated each month based on the number of mega-watts of power exported. The ROC buy-out price is fixed for each Compliance Period (1 April – 31 March) and is published in advance by Ofgem. The ROC recycle price is not published until September following the accounting year end and thus management estimate the price. The estimated recycle value of the ROCs is an estimate of the benefit that may be obtained from the ROC recycle fund at the end of the compliance period. The recycle fund provides a benefit where Supplier buy-out charges (incurred by Suppliers who do not procure sufficient ROCs to satisfy their obligations) are returned on a pro-rata basis. The estimate is based on assumptions about likely levels of renewable generation and supply over the compliance period and is thus subject to some uncertainty.

Management utilises external sources of information in addition to its own forecasts in calculating these estimates. Management monitor the total UK renewable generation on a quarterly basis through the use of an external expert to ensure this assumption remains reasonable. Past experience indicates that the values arrived at are reasonable but they remain subject to possible variation.

The estimated revenue relating to ROC recycle in the year was £2,866,478 (2021: £5,904,243) and this represents 5.6% (2021: 13%) of total revenue in the year. If the estimated ROC recycle revenue changed by +/- 10% in the year, then overall revenue would change by +/-£286,648 (2021: +/-£590,424).

Decommissioning costs
As part of the measurement and recognition of assets and liabilities, the company has recognised a provision for decommissioning obligations associated with the solar park. In determining the fair value of the provision, assumptions and estimates are made in relation to the expected cost to dismantle and remove the plant from the site, the expected timing of those costs, and the discount rate. The decommissioning provision was revalued during the year following an annual review of the present value of the estimated future expenditure. In determining the present value of the estimated future costs the following assumptions were used.

Expected cost to dismantle and remove the plant from the site
An estimated dismantling cost of £99,987 (2021: £98,377) per MWh was used in assessing the present value of the estimated future expenditure. The cost has been assessed by an external evaluator and reflects the current market conditions. If the MW/H dismantling cost was to change by +/-5% the provision would change by +/-£1,518,988 (2021: +/-£1,432,719).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Decommissioning costs – continued

Inflation rate
An inflation rate of 3.0% (2021: 6.4%) has been used in assessing the present value of the estimated future expenditure. If the inflation rate were to change by +/- 1%, the provision would change by +£5,905,647/-£4,918,081 (2021: +£5,570,244/-£4,638,766).

Discount rate
A discount rate of 4.0% (2021: 1.2%) was used in assessing the present value of the estimated future expenditure. The discount rate has been calculated based on a 20-year UK bond yield. If the discount rate were to change by +/- 0.5%, then the impact on the present value of the estimated future expenditure would be -£2,568,066/+£2,816,224 (2021: -2,555,655/+£2,816,513).

Expected timing
The expected timing of the costs has been determined as the minimum between the remaining useful life of the assets and remaining lease period. On average this is approximately 17.5 years across the portfolio hence the 20-year UK bond yield has been determined as the most appropriate discount rate.

Any changes in the present value of the estimated expenditure is added or deducted from the costs of the related decommissioning asset. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the discount on the decommissioning provision is included as a finance cost.

Impairment of PPE assets
Management judgment is required in the assessment of whether at each reporting date for an asset or CGU there is an indication of possible impairment (a triggering event). No such triggering events have been identified for possible impairment of PPE at the reporting date after consideration of performance and market conditions.

Deferred tax
Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the net effect of future tax planning strategies.

3. REVENUE

	Group	
	Year Ended 31-Dec-22	Year Ended 31-Dec-21
	£	£
Electricity sales	21,086,192	16,786,574
ROC income	28,912,137	29,022,688
Other income	1,544,548	632,410
	51,542,877	46,441,672

All of the revenue is generated in the UK and is receivable from third parties.

4. PROFIT/(LOSS) BEFORE TAX

The profit/(loss) before tax is stated after charging:

	Group	
	Year Ended	Year Ended
	31 Dec 22	31-Dec-21
	£	£
Auditors' remuneration	24,075	22,500
Depreciation	19,153,865	19,004,669
Inventory expense	625,028	81,384

5. EMPLOYEES AND DIRECTORS

The Company has no employees (2021: no employees), hence there were no staff costs for the year ended 31 December 2022 (2021: £nil).

Directors' Remuneration
No remuneration was paid to the Directors of the Group in 2022 (2021: £nil). In the current and prior year, the Directors were employed by and remunerated by other Vantage RE group companies.

6. NET FINANCE COSTS

	Group	
	Year Ended	Year Ended
	31-Dec-22	31-Dec-21
	£	£
Bank interest expense	4,412,451	8,358,569
Bank fees	5,245	6,536
Intercompany interest expense	9,069,489	9,291,203
Interest income	(375)	(710)
Amortisation of lender fees	5,503,953	387,908
Accretion expense / unwinding discount	1,176,937	355,048
DSR Facility commitment fee	-	145,475
Interest expense on lease liabilities	1,430,023	1,406,966
Swap breakage cost	(653,800)	-
Net finance costs	20,943,923	19,950,995

Bank interest includes interest charged on the facility agreement and a repayment of £2,440,155 relating to the previous facility with Santander. The facility agreement interest is charged semi-annually at a fixed rate of 2.83% with Standard Chartered (2021: 2.1% plus LIBOR with Santander). 2021 includes SWAP interest which was charged at the difference between the fixed rate of 1.373% and LIBOR.

Intercompany interest expense relates to amounts due to the immediate parent company and is charged at an effective interest rate of 8.16% per annum.

The DSR Facility commitment fee is only applicable for 2021 and formed part of the overall facility agreement and is payable at a rate of 40% of the margin on the available commitment of £17m.

7. TAXATION

Tax charges in income statement	Group Year Ended 31-Dec-22 £	Group Year Ended 31-Dec-21 £
Current Tax		
Current tax expense	(302,421)	(135,073)
	(302,421)	(135,073)
Deferred Tax		
Current year movement	(1,833,970)	(863,795)
Changes in tax rates	-	2,060,663
Prior year adjustments	(131,559)	413,437
Deferred tax impact on asset of PPE uplift (see note 10)	-	(5,168,567)
Deferred tax impact of depreciation on PPE uplift	587,988	1,102,583
Deferred tax expense	(1,377,541)	(2,455,679)
Total tax expense in statement of comprehensive income	(1,679,962)	(2,590,752)

Reconciliation of the tax expense	Year Ended 31-Dec-22 £	Year Ended 31-Dec-21 £
Profit/(loss) for the year after tax	1,821,041	(2,900,727)
Total tax expense	1,679,962	2,590,752
Profit/(loss) for the year before tax	3,501,003	(309,975)
Tax using the UK corporation tax rate of 19% (2021: 19%)	(665,191)	58,895
Non-deductible expenses	(895,880)	(726,843)
Group relief	(135,167)	(238,247)
Reduction in tax rate on deferred tax balances	(440,153)	(207,312)
Difference in tax rate	-	2,060,663
Prior year adjustments	(131,559)	413,437
Deferred tax impact on asset of PPE uplift	-	(5,168,567)
Deferred tax impact of depreciation on PPE uplift	587,988	1,102,583
Other adjustments	-	114,639
Total tax expense	(1,679,962)	(2,590,752)

Factors that may affect future tax charges
An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, and the UK deferred tax liability as at 31 December 2022 has been calculated taking this 25% rate into account.

The introduction of the electricity generator levy of 45% (effective 1 January 2023) will apply to receipts in excess of £75/MWh. This could have a material impact on the taxation provision going forwards. However, at the date of preparation of the financial statements, this has not yet been quantified by management.

Group
The UK corporation tax rate is currently 19%. The deferred tax asset as at 31 December 2022 has been calculated also taking into account the 25% rate effective from 1 April 2023. The change from 19% to 25% will increase the Groups future current tax charge and has reduced the deferred tax asset by £440,153.

Company
As the Company has no deferred tax asset or liability at the year end, there is no effect on the financial statements.

8. PROPERTY, PLANT AND EQUIPMENT

The Directors have undertaken an assessment of each asset and have not identified any indicators of possible impairment.

The Company does not directly own any fixed assets. Group renewable energy facilities consist of the following:

GROUP

	Solar Photovoltaic (PV) asset	Decommissioning assets	Right of use assets	Totals
	£	£	£	£
COST				
At 1 January 2021	468,371,156	22,742,461	27,767,062	518,880,679
Additions	160,969	-	-	160,969
Other movement	(1,292,142)		-	(1,292,142)
Change in estimate (see note 16)	-	(1,125,595)	205,612	(919,983)
At 31 December 2021	467,239,983	21,616,866	27,972,674	516,829,523
At 1 January 2022	467,239,983	21,616,866	27,972,674	516,829,523
Additions	11,411	-	-	11,411
Change in estimate (see note 16)	-	548,438	1,349,486	1,897,924
At 31 December 2022	467,251,394	22,165,304	29,322,160	518,738,858
ACCUMULATED DEPRECIATION				
At 1 January 2021	61,987,985	2,444,263	2,565,600	66,997,848
Charge for the year	16,615,283	1,111,448	1,277,938	19,004,669
At 31 December 2021	78,603,268	3,555,711	3,843,538	86,002,517
At 1 January 2022	78,603,268	3,555,711	3,843,538	86,002,517
Charge for the year	16,616,134	1,179,227	1,358,504	19,153,865
At 31 December 2022	95,219,402	4,734,938	5,202,042	105,156,382
NET BOOK VALUE				
At 31 December 2022	372,031,992	17,430,366	24,120,118	413,582,476
At 31 December 2021	388,636,715	18,061,155	24,129,136	430,827,006

In 2020, the tax rate increased from 17% to 19% resulting in £1,292,142 deferred tax uplift initially recognised in 2017 at acquisition. The effect of this change in tax rate was correctly recognised within the deferred tax liability however erroneously recognised within 2020 property, plant and equipment additions. This has been adjusted within the 2021 property, plant and equipment as other movement.

9. INVESTMENT IN SUBSIDIARIES

COMPANY

	31-Dec-22	31-Dec-21
	£	£
Investment in subsidiary entities	108,718,088	108,718,088

The Company held the following investments in subsidiary entities at 31 December 2022 and 31 December 2021:

Name of Company	Number of shares	Nature of business	Country of incorporation
Terraform UK2 Intermediate Holdings Ltd	1,001	Holding company	UK

The investment above is comprised of a 100% holding of ordinary shares in the subsidiary. The principal activity of the subsidiary is as a holding company. The Company has indirect ownership, via its immediate subsidiary, in 33 additional subsidiaries. This includes 9 further holding companies and 24 companies whose principal activity is electrical generation using solar technology.

The following subsidiary undertakings are indirectly owned by the Company, all registered in the United Kingdom and owned 100%:

Terraform UK3 Intermediate Holdings Limited, SunE Green Holdco5 Limited, SunE Green Holdco4 Limited, SunE Green Holdco3 Limited, SunE Green Holdco2 Limited, SunE Green Holdco7 Limited, SunE Green Holdco9 Limited, SunE Green Holdco13 Limited, SunE Green Holdco6 Limited, Cambridge Solar Power Limited, SunE Hill Farm Solar Limited, SunE Sundorne Grove Solar Limited, Sunsave 31 (Horam) Limited, Sunsave 17 (Castle Combe) Limited, Sunsave 11 (Wrockwardine Farm) Limited, MSP Fairwind Limited, Sunsave 14 (Fenton) Limited, Boyton Solar Park Limited, Sunsave 6 (Manston) Limited, KS SPV 24 Limited, Sunsave 10 (Fareham) Limited, Sunsave 15 (Westwood) Limited, Sunsave 20 (Knowlton) Limited, SunE Project 1 Limited, AEE Renewables UK Limited, Daisy No.1 Limited, SunE Green Energy Limited, Brynteg Solar Limited, SE Bury Lane Solar Limited, Sunsave 43 (Epwell) Limited, SunE Little Neath Solar Limited, SunE Burthy Farm Solar Limited and SunE Prestop Park Limited.

The registered address of all the subsidiaries (both direct and indirect) listed above is: 1st Floor Sackville House, 143-149 Fenchurch Street, London, EC3M 6BL.

Vantage Solar UK Limited has provided the necessary guarantees under section 479A of the Companies Act entitling all the subsidiaries above to an audit exemption for the year ended 31 December 2022.

10. DEFERRED TAX

GROUP

	Assets		Liabilities		Net	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	£	£	£	£	£	£
PPE	-	-	(10,175,389)	(9,316,053)	(10,175,389)	(9,316,053)
Tax value of losses carried-forward	15,932,154	17,038,349	-	-	15,932,154	17,038,349
PPE value uplift on acquisition	-	-	(12,831,648)	(13,419,636)	(12,831,648)	(13,419,636)
Derivative liability	-	545,668	-	-	-	545,668
	15,932,154	17,584,017	(23,007,037)	(22,735,689)	(7,074,883)	(5,151,672)

Movement in deferred tax during the year:

	Year Ended 31-Dec-22	Year Ended 31-Dec-21
	£	£
Opening deferred tax liabilities	(5,151,672)	(1,192,108)
Prior year adjustments	(131,559)	413,437
Current year movement	(1,833,970)	1,196,868
Deferred tax impact of:		
Depreciation on PPE value uplift on acquisition recognised in profit and loss	587,988	1,102,583
Change in tax rate on PPE uplift	-	(3,876,425)
Derivative liability recognised in other comprehensive income	(545,670)	(2,796,027)
Closing deferred tax liabilities	(7,074,883)	(5,151,672)

The deferred tax liability at 31 December 2022 has been calculated based on the rate of 25% (2021: 25%) substantively enacted at the balance sheet date. The Directors believe that it is probable that future taxable profits will be available against which temporary differences can be utilised and therefore deferred tax assets have been recognised accordingly (excluding those related to the PPE value uplift on acquisition – recognised against Property, plant and equipment - and derivative liability – recognised in other comprehensive income).

The change in tax rate from 19% to 25% is applicable for 2021 only and resulted in a £3,876,425 increase. The deferred tax impact on the asset of the PPE uplift in 2021 includes this amount and £1,292,142 in relation to 2020 as explained in more detail in note 8.

The PPE value uplift on acquisition includes the original PPE uplift relating to deferred tax recognised in 2017 plus change in tax rates.

Deferred Tax Assets Not Recognised

The Group has not provided deferred tax assets in respect of losses in certain subsidiaries where it is not probable that future taxable profits will be available. These total £29,268,772 (2021: £28,595,827) - split between trading losses of £18,292,464 (2021: £18,292,464) and CIR of £10,976,308 (2021: £10,303,363). The equivalent deferred tax asset at 25% (2021: 25%) is £7,317,193 (2021: £7,148,957) - split £4,573,116 (2021: £4,573,116) and £2,744,077 respectively (2021: £2,575,841).

11. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	£	£	£	£
Non-current:				
Intercompany receivables	-	-	296,081,816	313,346,431
Current:				
Intercompany receivables	399,800	376,237	9,502,454	6,110,507
Accrued income	7,226,618	7,386,250	-	-
Prepayments	1,307,194	1,067,386	355,819	21,351
Trade receivables	2,946,278	2,501,198	-	-
Other receivables	1,125,842	2,068,268	303,199	18,421
Lender fees	434,772	-	-	-
	13,440,504	13,399,339	306,243,288	319,496,710

Trade and other receivables are due for settlement within one year or less and therefore are all classified as current.

Accrued income consists of £4.0m (2021: £3.8m) for ROC Recycle revenue based on the latest price announced for the current compliance period (Apr 22 up to Dec 22).

The intercompany loan balance above relates to an amount due from Terraform UK3 Intermediate Holdings Limited due in 10.5 years from the execution date of 22 June 2017. Interest is accruing on the loan at a rate of 2.83% (2021: 5.77%) (being the external loan facility margin plus LIBOR) and is included within current receivables.

12. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	£	£	£	£
Cash and cash equivalents	37,531,382	22,863,968	36,331,385	20,748,545
	37,531,382	22,863,968	36,331,385	20,748,545

13. CALLED UP SHARE CAPITAL AND SHARE PREMIUM

GROUP & COMPANY

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31-Dec-22 £	31-Dec-21 £
1,000,000 (2021: 1,000,000)	Ordinary shares	£1.00	1,000,000	1,000,000

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

GROUP & COMPANY

	Number of shares		Share Capital £		Share Premium £	
	2022	2021	2022	2021	2022	2021
At 1 January	1,000,000	1,000,000	1,000,000	1,000,000	46,327,860	46,327,860
At 31 December	1,000,000	1,000,000	1,000,000	1,000,000	46,327,860	46,327,860

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. No dividends were paid in 2022 (2021: £nil).

14. ACCUMULATED DEFICIT

	Accumulated deficit			
	GROUP £		COMPANY £	
	2022	2021	2022	2021
At 1 January	(27,559,135)	(24,658,408)	(5,038,772)	(4,610,651)
Profit /(loss) for the year	1,821,041	(2,900,727)	(7,961,969)	(428,121)
At 31 December	(25,738,094)	(27,559,135)	(13,000,741)	(5,038,772)

15. FINANCIAL LIABILITIES

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. Loans and borrowings include secured amounts at 31 December 2022 due on a facility agreement with Santander Chartered. For more information about the Group's exposure to interest rate and foreign currency risk, see note 20.

	GROUP		COMPANY	
	31-Dec-22 £	31-Dec-21 £	31-Dec-22 £	31-Dec-21 £
Non-current liabilities:				
External debt	251,847,582	255,333,287	251,847,582	255,333,287
Intercompany payable	102,672,140	102,672,140	102,672,140	102,672,140
Lease liabilities	24,956,061	24,598,797	-	-
Lender fees	(4,854,956)	(4,753,735)	(4,854,956)	(4,753,735)
	374,620,827	377,850,489	349,664,766	353,251,692
Current liabilities (note 18):				
External debt	21,074,217	18,569,870	20,204,673	17,794,054
Intercompany interest	6,457,645	13,188,155	6,457,645	13,188,155
Current portion of lease liabilities	924,291	807,678	-	-
Lender fees	-	(387,908)	434,772	387,908
	28,456,153	32,177,795	27,097,090	31,370,117

The external debt relates to a £273m facility (the U.K. Facility) entered into by Vantage Solar UK Limited an indirect wholly-owned subsidiary of Vantage Solar UK4 Limited with Standard Chartered Bank to finance the Group's activities. This facility was previously held with Santander and was repaid to Standard Chartered upon the transferral. Of this £273m (2021: £269m) facility, £11m was repaid during 2022 and £26.6m is due to be repaid in 2023. The U.K. Facility bears interest at a fixed rate of 2.83% (2021: 2.1% plus LIBOR) until maturity. The U.K. Facility is secured by all of the Group's solar generation facilities located in the U.K. The external bank loan will be repaid in six-monthly instalments with the final repayment date in March 2035.

The intercompany payable balance above represents an amount due to the immediate parent company, Vantage Solar UK2 Limited, which is repayable in 10.5 years from the execution date of 13 March 2017 and incurring interest at an effective rate of 8.16% (2021: 8.16%). See note 18 for details of amounts accrued due within one year. Interest payable can be deferred upon the Group serving notice of deferral to the shareholder with interest compounding until paid. As no such deferral was served at the period end, interest is shown as a current liability.

16. LEASES AS A LESSEE

Right of use assets

GROUP

	Year Ended 31-Dec-22	Year Ended 31-Dec-21
	£	£
Balance at 1 January	24,129,136	25,201,462
Change of estimate	1,349,486	205,612
Depreciation charge for the year	(1,358,504)	(1,277,938)
Balance at 31 December	24,120,118	24,129,136

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Group is a lessee:

	Year Ended 31-Dec-22	Year Ended 31-Dec-21
	£	£
Interest expense on lease liabilities	1,430,023	1,406,966
Depreciation expense	1,358,504	1,277,938

Amounts recognised in the statement of cash flows

The following amounts have been recognised in the cash flows for which the Group is a lessee:

	Year Ended 31-Dec-22	Year Ended 31-Dec-21
	£	£
Total cash outflow for leases	2,305,632	2,180,884

17. PROVISIONS

A provision has been recognised for decommissioning costs as follows:

	GROUP	
	Year Ended 31-Dec-22	Year Ended 31-Dec-21
	£	£
Opening provision	28,654,389	29,424,936
Unwinding of discount	1,176,937	355,048
Change in estimate	548,438	(1,125,595)
Closing provision	30,379,764	28,654,389

Any changes in the present value of the estimated expenditure is added to or deducted from the cost of the asset to which it relates. The adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The unwinding of the decommissioning provision is included as a finance cost based on a discount rate of 4.0% (2021: 1.2%).

Following a review of the present value of the estimated future expenditure, the discount rate was reviewed against recent market data and adjusted for accordingly, resulting in an increase of £548,438 (2021: decrease of £1,125,595) in the decommissioning asset and provision. The decommissioning provision and the associated decommissioning asset were revalued for the year ended 31 December 2022.

18. CURRENT LIABILITIES

	GROUP		COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	£	£	£	£
Current:				
Trade payables	229,249	-	-	-
Other payables	11,250	-	11,250	-
Intercompany payable	-	-	39,780,064	21,835,869
Intercompany interest (note 15)	6,457,645	13,188,155	6,457,645	13,188,155
Accruals	2,326,609	2,524,601	2,324,612	4,861,772
Loan facility interest	1,912,140	4,645,196	-	-
External debt (note 15)	19,162,077	13,924,675	18,292,533	13,148,859
VAT payable	812,281	905,713	-	-
Lease liabilities (note 15)	924,291	807,678	-	-
Lender fees (note 15)	-	(387,908)	434,772	387,908
Derivative liability	-	2,871,937	-	2,871,937
Corporation tax	302,421	135,073	-	-
	32,137,963	38,615,120	67,300,876	56,294,500

The loan facility interest relates to the Standard Chartered facility (2021: Santander facility). The external debt relates to amounts payable in the next financial year.

19. FINANCIAL INSTRUMENTS

In 2021, the Group held derivative instruments which included interest rate swaps to mitigate interest rate exposure. The Group entered into interest rate swap agreements in order to hedge the variability of expected future cash interest payments. However, in 2022, the Group secured a new financing and has moved to a fixed interest rate facility.

As of 31 December 2022, the derivative instruments had been terminated and the amount included in the Group and Company financial statements of position captions were as follows:

	GROUP		COMPANY	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	£	£	£	£
Derivative liabilities:				
Current derivative liabilities	-	(2,871,937)	-	(2,871,937)
	-	(2,871,937)	-	(2,871,937)

As of 31 December 2022, the notional amount of the derivative instruments was £nil (2021: £201,943,472).

Income recognised related to interest rate swaps contracts designated as cash flow hedges for the year ended 31 December 2022, consisted of the following:

Derivatives Designated as Hedges

Interest Rate Swaps

In 2021, the Group had an interest rate swap agreement to hedge approximately £250 million of variable rate non-recourse debt. Under the interest rate swap agreements, the renewable energy facilities pay a fixed rate and the counterparties to the agreements pay a variable interest rate. However, this was terminated in 2022 as part of the refinancing and the Group had been repaid £653,800. The amount in other comprehensive income during the year ended 31 December 2022 is income of £2,326,269 (2021: income of £11,919,904), net of deferred tax at 25% (2021:19%)

19. FINANCIAL INSTRUMENTS – continued

Fair value of financial assets and financial liabilities

The fair value of assets and liabilities are determined using either unadjusted quoted prices in active markets (Level 1) or pricing inputs that are observable (Level 2) whenever that information is available and using unobservable inputs (Level 3) to estimate fair value only when relevant observable inputs are not available. The Group uses valuation techniques that maximize the use of observable inputs. Assets and liabilities are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. Where observable inputs are available for substantially the full term of the asset or liability, the instrument is categorized in Level 2. If the inputs into the valuation are not corroborated by market data, in such instances, the valuation for these contracts is established using techniques including extrapolation from or interpolation between actively traded contracts as well as calculation of implied volatilities. When such inputs have a significant impact on the measurement of fair value, the instrument is categorized as Level 3. The Group regularly evaluates and validates the inputs used to determine fair value of Level 3 contracts by using pricing services to support the underlying market price of commodity. The Group uses a discounted cash flow valuation technique to fair value its derivative assets and liabilities. The primary inputs into thevaluation of interest rate swaps are forward interest rates and to a lesser degree credit spreads.

At 31 December 2022, the Group had borrowings with Vantage Solar UK2 Limited its immediate parent company. It had no financial assets other than other loan receivables and cash at bank.

Recurring Fair Value Measurements

The following table summarizes the financial instruments measured at fair value on a recurring basis classified in the fair value hierarchy (Level 1, 2 or 3) based on the inputs used for valuation in the consolidated balance sheets:

At 31 December 2022	Level 1	Level 2	Level 3
	£	£	£
Assets:			
Interest rate swaps	-	-	-
Liabilities:			
Interest rate swaps	-	-	-
Total derivative liability	-	-	-

At 31 December 2021	Level 1	Level 2	Level 3
	£	£	£
Assets:			
Interest rate swaps	-	-	-
Liabilities:			
Interest rate swaps	-	(2,871,937)	-
Total derivative liability	-	(2,871,937)	-

As presented in the table above, all interest rate swaps are considered Level 2 in the fair value hierarchy. There were no transfers in or out of Level 1, Level 2, and Level 3 during the year ended 31 December 2022.

19. FINANCIAL INSTRUMENTS – continued

Undiscounted contractual cash flows of financial assets and financial liabilities

The undiscounted contractual cash flows of financial assets and liabilities, together with the carrying amounts presented in the Company and Group balance sheets, are as follows:

GROUP	Carrying amount 31-Dec-22	Undiscounted contractual cash flows 31-Dec-22	Carrying amount 31-Dec-21	Undiscounted contractual cash flows 31-Dec-21
	£	£	£	£
Financial assets:				
Cash and cash equivalents	37,531,382	37,531,382	22,863,968	22,863,968
Trade and other receivables	13,440,504	13,440,504	13,399,339	13,399,339
Financial liabilities:				
Trade and other payables	3,681,810	3,681,810	3,565,388	3,565,388
Derivative liability	-	-	2,871,937	2,871,937
Interest bearing loans – intercompany	109,129,785	109,129,785	115,860,295	137,329,669
Interest bearing loans - external	267,632,071	267,632,071	268,761,514	268,761,514
Lease liabilities	25,880,352	25,880,352	25,406,475	25,406,475

COMPANY	Carrying amount 31-Dec-22	Undiscounted contractual cash flows 31-Dec-22	Carrying amount 31-Dec-21	Undiscounted contractual cash flows 31-Dec-21
	£	£	£	£
Financial assets:				
Cash and cash equivalents	36,331,385	36,331,385	20,748,545	20,748,545
Interest bearing loans - intercompany	296,081,816	296,081,816	313,346,431	337,889,748
Trade and other receivables	10,161,472	10,161,472	6,150,279	6,150,279
Financial liabilities:				
Trade and other payables	40,203,786	40,203,786	22,052,445	22,052,445
Derivative liability	-	-	2,871,937	2,871,937
Interest bearing loans – intercompany	109,129,785	115,033,785	115,860,295	137,329,669
Interest bearing loans - external	267,632,071	267,632,071	268,761,514	268,761,514

The undiscounted contractual cash flows of financial assets and liabilities is included at the amount in which the instrument could be exchanged in a current transaction between willing parties, other than a forced or liquidation sale.

Trade receivables and trade payables are carried at their fair values.

20. FINANCIAL RISK MANAGEMENT

The Group and Company's principal financial assets and liabilities comprise trade receivables, cash, interest bearing loans and trade payables.

The Group and Company has exposure to the following risks from its use of financial instruments:

a) Market risk, including foreign currency, commodity price, interest rate, inflation rate risks
b) Credit risk
c) Liquidity risk
d) Capital management
e) Power Purchase Agreement (PPA) price adjustments

This note presents information about the Group and Company's exposure to each of the above risks and the Group and the Company's objectives, policies and processes for assessing and managing risk.

The Directors have overall responsibility for the establishment and oversight of the Group and Company's risk management framework.

(a) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The Group has exposure to "Renewable Obligation Certificate ("ROC") prices and changes in forecast ROC recycle prices. ROC recycle prices are estimated using current market information to evaluate the likely ROC recycle price on top of the ROC buyout prices. The Group adjusts ROC recycle revenue accruals as market knowledge is gained.

The Group and the Company are not exposed to significant foreign currency risk as the majority of all payables and receivables are denominated in pounds sterling which is the functional currency in which the Group and the Company operates.

The Group and Company use hedging strategies to mitigate our exposure to interest rate fluctuations. The Group and the Company does not intend to hold cash for the purpose of generating interest income.

(b) Credit risk

The Group and the Company's exposure to credit risk arises as a result of the transactions with counterparties. The counterparties used by the Group and the Company are considered by management to be of high quality, investment grade credit rating. The maximum credit exposure at reporting date are the carrying value of the credit balances if any.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group and the Company monitors its risk of a shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and liabilities.

20. FINANCIAL RISK MANAGEMENT - continued

GROUP

Year ended 31 December 2022

	Within one year £	1 to 5 years £	>5 years £	**Total £**
Financial Liabilities				
Trade and other payables	3,681,810	-	-	**3,681,810**
Interest-bearing loans	28,456,153	78,915,792	295,705,035	**403,076,980**

Year ended 31 December 2021

	Within one year £	1 to 5 years £	>5 years £	**Total £**
Financial Liabilities				
Trade and other payables	3,565,388	-	-	**3,565,388**
Interest-bearing loans	32,177,795	65,051,735	312,798,754	**410,028,284**
Derivative liabilities	2,871,937	-	-	**2,871,937**

COMPANY

Year ended 31 December 2022

	Within one year £	1 to 5 years £	>5 years £	**Total £**
Financial Liabilities				
Trade and other payables	40,203,786	-	-	**40,203,786**
Interest-bearing loans	27,097,090	74,713,457	274,951,309	**376,761,856**

Year ended 31 December 2021

	Within one year £	1 to 5 years £	>5 years £	Total £
Financial Liabilities				
Trade and other payables	22,052,445	-	-	**22,052,445**
Interest-bearing loans	31,370,117	61,345,118	291,906,574	**384,621,809**
Derivative liabilities	2,871,937	-	-	**2,871,937**

(d) Capital management

Management considers capital to consist of equity plus net debt as disclosed in the balance sheet. The primary objective of the Group and the Company's capital management is to ensure healthy capital ratios in order to support its business and maximise shareholder value. The Group and the Company's financial instruments comprise cash and liquid resources and various items, such as receivables and trade payables that arise directly from its operations. The Group and the Company's policy is to finance its operations through Group borrowings and an external financing (Note 15). It is the Group and the Company's policy not to hold financial instruments for speculative purposes.

20. FINANCIAL RISK MANAGEMENT – continued

(e) PPA price adjustments

The PPAs for the Group and the Company's solar generation facilities have fixed electricity prices for a specified period of time (typically four years), after which such electricity prices are subject to an adjustment based on the market price at the time of the adjustment. While the PPAs with price adjustments specify a minimum price, the minimum price is below the initial fixed price. A decrease in the market price of electricity, including due to lower prices for traditional fossil fuels, could result in a decrease in the pricing under such contracts if the fixed-price period has expired. A decrease in the price payable to us under our PPAs could adversely affect our business, financial condition, results of operations and cash flows. However, this does not pose a material threat to the business operations as the pricing is protected by the floor price as covered by the PPA contracts and the management will fix favourable prices in advance.

21. RELATED PARTY DISCLOSURES

There are no provisions against amounts receivables from related parties at 31 December 2022 and 31 December 2021.

GROUP:
During the year the Group entered into transactions and had amounts outstanding, in the ordinary course of business, with the following related parties:

Year ended 31 December 2022:

Due to	Due from	Transaction details	Expense £	Amounts (Payable)/ Receivable £
Vantage RE Limited	Vantage Solar UK Limited	Asset management fees payable	(379,316)	-
Vantage Solar UK2 Limited	Vantage Solar UK Limited	Included in note 15 are unsecured amounts due which are repayable in over five years	-	(102,672,140)
Vantage Solar UK2 Limited	Vantage Solar UK Limited	Interest is payable on the loan at an effective rate of 8.16% and due within one year	(9,069,490)	(6,457,645)
Vantage Solar UK Limited	Vantage Solar UK3 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	63,137
Vantage Solar UK Limited	Vantage Solar UK4 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	308,274
Vantage Solar UK Limited	Vantage Solar UK2 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	28,389

21. RELATED PARTY DISCLOSURES - continued

Year ended 31 December 2021:

Due to	Due from	Transaction details	Expense £	Amounts (Payable)/ Receivable £
Vantage RE Limited	Vantage Solar UK Limited	Asset management fees payable	(336,000)	-
Vantage Solar UK2 Limited	Vantage Solar UK Limited	Included in note 15 are unsecured amounts due which are repayable in over five years	-	(102,672,140)
Vantage Solar UK2 Limited	Vantage Solar UK Limited	Interest is payable on the loan at an effective rate of 8.16% and due within one year	(9,291,203)	(13,188,155)
Vantage Solar UK Limited	Vantage Solar UK3 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	57,038
Vantage Solar UK Limited	Vantage Solar UK4 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	294,080
Vantage Solar UK Limited	Vantage Solar UK2 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	25,119

21. RELATED PARTY DISCLOSURES – *continued*

COMPANY:
During the year the Company entered into transactions and had amounts outstanding, in the ordinary course of business, with the following related parties:

Year ended 31 December 2022:

Due to	Due from	Transaction details	Expense £	Amounts (Payable)/ Receivable £
Vantage RE Limited	Vantage Solar UK Limited	Asset management fees payable	(379,316)	-
Vantage Solar UK2 Limited	Vantage Solar UK Limited	Included in note 15 are unsecured amounts due which are repayable in over five years	-	(102,672,140)
Vantage Solar UK2 Limited	Vantage Solar UK Limited	Interest is payable on the loan at an effective rate of 8.16% and due within one year	(9,069,490)	(6,457,645)
Vantage Solar UK Limited	Vantage Solar UK3 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	63,137
Vantage Solar UK Limited	Vantage Solar UK4 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	308,274
Vantage Solar UK Limited	Vantage Solar UK2 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	28,389
Vantage Solar UK Limited	AEE Renewables UK 31 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	178,109
Vantage Solar UK Limited	Boyton Solar Park Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	305,529
Vantage Solar UK Limited	Cambridge Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	1,250,291

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	(Expense)/Income £	Amounts (Payable)/ Receivable £
Daisy No 1 Limited	Vantage Solar UK Limited	Included in note 18 are balances represented by intercompany fund transfers	-	(1,358,727)
Vantage Solar UK Limited	KS SPV 24 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	391,575
Vantage Solar UK Limited	MSP Fairwind Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	126,418
Vantage Solar UK Limited	SE Bury Lane Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	221,690
Vantage Solar UK Limited	Sunsave 20 (Knowlton) Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	(164,271)
Vantage Solar UK Limited	Sune Green Energy Ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	178,669
Vantage Solar UK Limited	Sune Project 1 ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	222,792
Vantage Solar UK Limited	SunE Green HoldCo2 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	13,390
Vantage Solar UK Limited	SunE Green HoldCo3 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	13,390

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	(Expense)/Income	Amounts Receivable
			£	£
Vantage Solar UK Limited	SunE Green HoldCo4 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	13,390
Vantage Solar UK Limited	SunE Green HoldCo5 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	12,689
Vantage Solar UK Limited	SunE Green HoldCo6 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	14,333
Vantage Solar UK Limited	SunE Green HoldCo7 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	112,199
Vantage Solar UK Limited	SunE Green HoldCo9 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	13,390
Vantage Solar UK Limited	SunE Green HoldCo13 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	17,943
Vantage Solar UK Limited	Sunsave 6 (Manston) ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	515,587
Vantage Solar UK Limited	Sunsave 10 (Fareham) ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	168,794
Vantage Solar UK Limited	Sunsave 11 (Wrockwardine Farm) Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	490,301

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	(Expense)/Income	Amounts Receivable
			£	£
Vantage Solar UK Limited	Sunsave 17 (Castle Combe) Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	708,035
Vantage Solar UK Limited	Sunsave 31 (Horam) Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	416,359
Vantage Solar UK Limited	Sunsave 43 (Epwell) Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	820,560
Vantage Solar UK Limited	Sune Burthy Farm Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	589,129
Vantage Solar UK Limited	SunE Hill Farm Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	640,632
Vantage Solar UK Limited	SunE Little Neath Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	493,909
SunE Prestop Park Limited	Vantage Solar UK Limited	Included in note 18 are balances represented by intercompany fund transfers	-	96,184
SunE Sundorne Grove Solar Limited	Vantage Solar UK Limited	Included in note 18 are balances represented by intercompany fund transfers	-	476,650
Vantage Solar UK Limited	TerraForm UK2 Intermediate Holdings Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity	-	5,848

21. RELATED PARTY DISCLOSURES – *continued*

Due to	Due from	Transaction details	Income	Amounts Receivable/ (Payable)
			£	£
Vantage Solar UK Limited	TerraForm UK3 Intermediate Holdings Limited	Included in note 15 are unsecured amounts due which are repayable in over five years	-	296,081,816
Vantage Solar UK Limited	TerraForm UK3 Intermediate Holdings Limited	Interest payable at LIBOR + margin + 3.5%	9,996,563	-
TerraForm UK3 Intermediate Holdings Limited	Vantage Solar UK Limited	Included in note 18 are balances represented by intercompany fund transfers	-	(38,252,945)
Vantage Solar UK Limited	AEE Renewables UK 31 Limited	Asset management fees incurred under MSA agreement	29,119	-
Vantage Solar UK Limited	Boyton Solar Park Limited	Asset management fees incurred under MSA agreement	9,077	-
Vantage Solar UK Limited	Brynteg Solar Limited	Asset management fees incurred under MSA agreement	21,739	-
Vantage Solar UK Limited	Cambridge Solar Power Limited	Asset management fees incurred under MSA agreement	41,623	-
Vantage Solar UK Limited	Daisy No 1 Limited	Asset management fees incurred under MSA agreement	44,510	-
Vantage Solar UK Limited	KS SPV 24 Limited	Asset management fees incurred under MSA agreement	11,217	-

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	Income	Amounts (Payable)/ Receivable
			£	£
Vantage Solar UK Limited	MSP Fairwind Limited	Asset management fees incurred under MSA agreement	17,931	-
Vantage Solar UK Limited	SE Bury Lane Solar Limited	Asset management fees incurred under MSA agreement	32,661	-
Vantage Solar UK Limited	Sunsave 6 (Manston) ltd	Asset management fees incurred under MSA agreement	14,453	-
Vantage Solar UK Limited	Sunsave 10 (Fareham) ltd	Asset management fees incurred under MSA agreement	30,150	-
Vantage Solar UK Limited	Sunsave 11 (Wrockwardine Farm) Limited	Asset management fees incurred under MSA agreement	15,390	-
Vantage Solar UK Limited	Sunsave 14 (Fenton) Limited	Asset management fees incurred under MSA agreement	64,193	-
Vantage Solar UK Limited	Sunsave 15 (Westwood) Limited	Asset management fees incurred under MSA agreement	13,498	-
Vantage Solar UK Limited	Sunsave 17 (Castle Combe) Limited	Asset management fees incurred under MSA agreement	22,534	-
Vantage Solar UK Limited	Sunsave 20 (Knowlton) Limited	Asset management fees incurred under MSA agreement	16,967	-

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	Income	Amounts (Payable)/ Receivable
			£	£
Vantage Solar UK Limited	Sunsave 31 (Horam) Limited	Asset management fees incurred under MSA agreement	11,931	-
Vantage Solar UK Limited	Sunsave 43 (Epwell) Limited	Asset management fees incurred under MSA agreement	13,214	-
Vantage Solar UK Limited	Sune Burthy Farm Solar Limited	Asset management fees incurred under MSA agreement	19,230	-
Vantage Solar UK Limited	Sune Green Energy Ltd	Asset management fees incurred under MSA agreement	13,100	-
Vantage Solar UK Limited	SunE Hill Farm Solar Limited	Asset management fees incurred under MSA agreement	11,310	-
Vantage Solar UK Limited	SunE Little Neath Solar Limited	Asset management fees incurred under MSA agreement	9,020	-
Vantage Solar UK Limited	Sune Project 1 ltd	Asset management fees incurred under MSA agreement	23,606	-
Vantage Solar UK Limited	SunE Prestop Park Limited	Asset management fees incurred under MSA agreement	23,305	-
Vantage Solar UK Limited	SunE Sundorne Grove Solar Limited	Asset management fees incurred under MSA agreement	26,795	-

21. RELATED PARTY DISCLOSURES - continued

Year ended 31 December 2021:

Due to	Due from	Transaction details	Expense £	Amounts (Payable)/ Receivable £
Vantage RE Limited	Vantage Solar UK Limited	Asset management fees payable	(366,000)	-
Vantage Solar UK2 Limited	Vantage Solar UK Limited	Included in note 15 are unsecured amounts due which are repayable in over five years.	-	(102,672,140)
Vantage Solar UK2 Limited	Vantage Solar UK Limited	Interest is payable on the loan at an effective rate of 8.16% and due within one year.	(9,291,203)	(13,188,155)
Vantage Solar UK Limited	Vantage Solar UK3 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	57,038
Vantage Solar UK Limited	Vantage Solar UK4 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	294,080
Vantage Solar UK Limited	Vantage Solar UK2 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	25,119
Vantage Solar UK Limited	AEE Renewable UK 31 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	87,000
Vantage Solar UK Limited	Boyton Solar Park Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	273,300
Vantage Solar UK Limited	Cambridge Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	838,000

21. RELATED PARTY DISCLOSURES - continued

Due to	Due from	Transaction details	(Expense)/Income £	Amounts (Payable)/ Receivable £
Daisy No 1 Limited	Vantage Solar UK Limited	Included in note 18 are balances represented by intercompany fund transfers	-	(1,577,402)
Vantage Solar UK Limited	KS SPV24 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	295,000
Vantage Solar UK Limited	MSP Fairwind Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	81,892
Vantage Solar UK Limited	SE Bury Lane Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	130,000
Vantage Solar UK Limited	Sunsave 20 (Knowlton) Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	(259,090)
Vantage Solar UK Limited	SunE Project 1 Ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	150,000
Vantage Solar UK Limited	SunE Green HoldCo2 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	10,466
Vantage Solar UK Limited	SunE Green HoldCo3 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	10,466
Vantage Solar UK Limited	SunE Green HoldCo4 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	10,466

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	(Expense)/Income	Amounts Receivable
			£	£
Vantage Solar UK Limited	SunE Green HoldCo5 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	9,766
Vantage Solar UK Limited	SunE Green HoldCo6 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	11,410
Vantage Solar UK Limited	SunE Green HoldCo7 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	93,848
Vantage Solar UK Limited	SunE Green HoldCo9 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	10,466
Vantage Solar UK Limited	SunE Green HoldCo13 Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	15,020
Vantage Solar UK Limited	Sunsave 6 (Manston) Ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	410,000
Vantage Solar UK Limited	Sunsave 10 (Fareham) Ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	78,000
Vantage Solar UK Limited	Sunsave 11 (Wrockwardine Farm) Ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	345,000
Vantage Solar UK Limited	Sunsave 17 (Castle Combe) Ltd	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	504,915

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	(Expense)/Income £	Amounts (Payable)/ Receivable £
Vantage Solar UK Limited	Sunsave 31 (Horam) Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	290,002
Vantage Solar UK Limited	Sunsave 43 (Epwell) Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	773,922
Vantage Solar UK Limited	SunE Burthy Farm Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	440,000
Vantage Solar UK Limited	SunE Hill Farm Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	349,085
Vantage Solar UK Limited	SunE Little Neath Solar Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	281,663
SunE Prestop Park Limited	Vantage Solar UK Limited	Included in note 18 are balances represented by intercompany fund transfers.	-	(146,700)
SunE Sundorne Grove Solar Limited	Vantage Solar UK Limited	Included in note 18 are balances represented by intercompany fund transfers.	-	169,831
Vantage Solar UK Limited	TerraForm UK2 Intermediate Holdings Limited	Included in note 11 are balances represented by amounts paid on behalf of the recipient entity.	-	2,748
Vantage Solar UK Limited	TerraForm UK3 Intermediate Holdings Limited	Included in note 15 are unsecured amounts due which are repayable in over five years.	-	313,346,431

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	Income	Amounts Payable
			£	£
Vantage Solar UK Limited	TerraForm UK3 Intermediate Holdings Limited	Interest payable at LIBOR + margin + 3.5%	17,905,245	-
TerraForm UK3 Intermediate Holdings Limited	Vantage Solar UK Limited	Included in note 18 are balances represented by intercompany fund transfers	-	(19,872,676)
Vantage Solar UK Limited	AEE RenewableUK 31 Limited	Asset management fees incurred under MSA agreement	27,847	-
Vantage Solar UK Limited	Boyton Solar Park Limited	Asset management fees incurred under MSA agreement	8,568	-
Vantage Solar UK Limited	Brynteg Solar Limited	Asset management fees incurred under MSA agreement	20,520	-
Vantage Solar UK Limited	Cambridge Solar Power Limited	Asset management fees incurred under MSA agreement	39,290	-
Vantage Solar UK Limited	Daisy No.1 Limited	Asset management fees incurred under MSA agreement	42,015	-
Vantage Solar UK Limited	KS SPV 24 Limited	Asset management fees incurred under MSA agreement	10,588	-
Vantage Solar UK Limited	MSP Fairwind Limited	Asset management fees incurred under MSA agreement	16,926	-

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	Income	Amounts (Payable)/ Receivable
			£	£
Vantage Solar UK Limited	SE Bury Lane Solar Limited	Asset management fees incurred under MSA agreement	30,830	-
Vantage Solar UK Limited	Sunsave 6 (Manston) Limited	Asset management fees incurred under MSA agreement	13,643	-
Vantage Solar UK Limited	Sunsave 10 (Fareham) Ltd	Asset management fees incurred under MSA agreement	28,460	-
Vantage Solar UK Limited	Sunsave 11 (Wrockwardine Farm) Limited	Asset management fees incurred under MSA agreement	14,527	-
Vantage Solar UK Limited	Sunsave 14 (Fenton) Limited	Asset management fees incurred under MSA agreement	60,595	-
Vantage Solar UK Limited	Sunsave 15 (Westwood) Limited	Asset management fees incurred under MSA agreement	12,741	-
Vantage Solar UK Limited	Sunsave 17 (Castle Combe) Limited	Asset management fees incurred under MSA agreement	21,270	-
Vantage Solar UK Limited	Sunsave 20 (Knowlton) Limited	Asset management fees incurred under MSA agreement	16,016	-
Vantage Solar UK Limited	Sunsave 31 (Horam) Limited	Asset management fees incurred under MSA agreement	11,262	-

21. RELATED PARTY DISCLOSURES – continued

Due to	Due from	Transaction details	Income	Amounts (Payable)/ Receivable
			£	£
Vantage Solar UK Limited	Sunsave 43 (Epwell) Limited	Asset management fees incurred under MSA agreement	12,473	-
Vantage Solar UK Limited	SunE Burthy Farm Solar Limited	Asset management fees incurred under MSA agreement	18,152	-
Vantage Solar UK Limited	SunE Green Energy Limited	Asset management fees incurred under MSA agreement	12,365	-
Vantage Solar UK Limited	SunE Hill Farm Solar Limited	Asset management fees incurred under MSA agreement	10,676	-
Vantage Solar UK Limited	SunE Little Neath Solar Limited	Asset management fees incurred under MSA agreement	8,514	-
Vantage Solar UK Limited	SunE Project 1 Limited	Asset management fees incurred under MSA agreement	22,283	-
Vantage Solar UK Limited	SunE Prestop Park Limited	Asset management fees incurred under MSA agreement	21,998	-
Vantage Solar UK Limited	SunE Sundorne Grove Solar Limited	Asset management fees incurred under MSA agreement	25,293	-

22. CONTINGENT LIABILITIES

There were no contingent liabilities for the financial year (2021: nil).

23. EVENTS AFTER THE REPORTING DATE

There were no significant events after the reporting date.

24. ULTIMATE CONTROLLING PARTY

At 31 December 2022, the Company's immediate parent Company was Vantage Solar UK2 Limited.

Vantage Solar UK4 Limited is the smallest entity for which these group financial statements at 31 December 2022 are reported, with its registered office and the address from which group financial statements can be obtained at 1st Floor Sackville House, 143-149 Fenchurch Street, London, EC3M 6BL.

TNB International Sdn Bhd is the largest entity for which group financial statements at 31 December 2022 are reported, with its registered office and the address from which group financial statements can be obtained at Pejabat Setiausaha Syarikat, Tingkat 2, Ibu Pejabat Tenaga Nasional Berhad, No. 129 Jalan Bangsar, 59200 Kuala Lumpur, Malaysia.

The Company's ultimate holding companies are Tenaga Nasional Berhad (55% Shareholding) and Kumpulan Wang Persaraan (Diperbadankan) (45% Shareholding).

Tenaga Nasional Berhad is a listed company on Kuala Lumpur Stock Exchange incorporated under the laws of Malaysia, whose registered office is located at Pejabat Setiausaha Syarikat, Tingkat 2, /bu Pejabat Tenaga Nasional Berhod, No.129, la/an Bangsar, 59200 Kuala Lumpur.

Kumpulan Wang Persaraan (Diperbadankan) is a Malaysian Government Pension Fund incorporated under the laws of Malaysia, whose registered office is located at Level 36 Integra Tower, The Intermark 348, Jalan Tun Razak, 50400 Kuala Lumpur.