

## **Sundance Acquisitions Limited**

Annual Report and Financial Statements  
For the year end 31 March 2023  
Registered number 09880877

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**Company Information**

Directors:	Julian Skinner Nigel Hildyard
Registered Office:	15 Diddenham Court Lambwood Hill Grazeley Reading RG7 1JQ
Company number:	Registered number 09880877
Auditor:	Deloitte LLP 1 New Street Square London EC4A 3HQ
Bankers:	ING Bank 60, London Wall London EC2M 5TQ

## Directors' Report

The directors present their Annual Report and Financial Statements for the year ended 31 March 2023

### Introduction

These financial statements are for the year ended 31 March 2023. The principal activity of the Company and its subsidiaries (the "Group") is the operation of ground mounted solar photo-voltaic installations in the UK. The Group's strategy is to operate these installations efficiently and optimise generation revenues, whilst maintaining the installations to maximise generation of electricity over the installations' economic lives. The Group operates a lean business model to assist achieving its objective of generating returns for its investors.

### Directors

The directors, who served throughout the year and to the date of signing of the accounts, were as follows:

Julian Skinner  
Nigel Hildyard

### Principal risks and uncertainties

The Board is committed to a continual process of improvement which includes regular review of new and existing risks to the Group. This ensures that the Group identifies both existing and emerging risks, and continues to develop appropriate mitigation strategies.

The Board believes that there are a number of potential risks to the Group that could hinder the successful implementation of its strategy. These risks arise from internal and external events, acts and omissions.

The Board is proactive in identifying, assessing and managing all risks facing the business. The principal risks and uncertainties facing the Group are detailed below, along with the directors' responses to those risks.

#### Strategic risk

**Market risk:** The risk that the Group fails to remain competitive in its peer group due to competitor activity, and the regulatory expectations. This risk is mitigated by the Group remaining closely aligned with trade and industry bodies, and other policy makers across our market.

#### Operational risk

**Performance risk:** Performance of the installed equipment over the life of the lease. The risk is mitigated by the operations and maintenance agreement in place with an experienced O&M Contractor.

**Energy yield risk:** Variability of solar irradiance which affects the generation achieved by the installation. This risk is mitigated to a manageable level through performance guarantees.

**Directors' Report (continued)****Principal risks and uncertainties (continued)**Financial risk

**Liquidity risk:** The risk that the Group suffers significant settlement default or otherwise suffers major liquidity problems which severely impact on the Company's reputation in the markets. This risk is mitigated by the Group being a highly cash-generative business and maintaining sufficient cash and standby banking facilities to fund its foreseeable trading requirements.

**Credit risk:** The Group's financial assets are cash and trade and other receivables. The Group's credit risk is primarily attributable to its trade receivables and accrued income which are with one counterparty. The Group monitors the financial standing of the counterparty in order to manage its credit risk.

**Price risk:** The risk that the Group suffers significant reduction in power prices which can severely impact on the Group's ability to generate profits. This risk is mitigated by the Group entering into a hedge power price agreement until April 2026.

**Inflation risk:** Rising price inflation could mean that the Group encounters increases to operating costs, which could erode operating margins and EBITDA. In addition, it could increase the cost of decommissioning activity and result in a higher decommissioning provision in the accounts going forward. This risk is mitigated by the Group monitoring price inflation and the impact it has on forecast costs, and entering into long term contracts such as O&M contracts where possible.

Interest rate risk

The Group is exposed to interest rate risk through its banking facility which was priced as SONIA (2022: LIBOR) plus a fixed margin during the year ended 31 March 2023.

The risk is mitigated by an interest rate swap which is in place to fix interest on the majority of the loan balance.

There are no other IBOR-linked financial instruments held by the Group.

**Going concern**

The portfolio performed well during the year relative to the P50 generation target. The O&M provider, Anesco Limited, continues to proactively monitor the asset performance.

The Russian invasion of Ukraine commenced in February 2022. Due to Europe's reliance on Russian commodities, the assault resulted in gas and coal prices recording new all-time highs. These high fuel prices fed into wholesale electricity prices, resulting in the historic high prices being maintained, despite an increase in renewable generation. The portfolio's revenue structure is largely fixed due to the Renewable Obligation Certificate and Power Purchase Agreement floor price, however as longterm power prices increased, the portfolio hedged power price exposure until April 2026.

The Group's forecasts and projections, taking into account potential changes in trading patterns, indicate that the Group will be able to continue current operations for not less than 12 months from signing of financial statements.

Sundance Midco Limited, the parent company, also confirmed that it will not be demanding repayment of the senior loan amount due from Sundance Acquisitions Limited for a period of not less than one year from the approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis.

**Results and dividends**

The Group made a profit before taxation of £2,179k (2022: £1,401k) and has net assets of £13,716k (2022: £11,042k). The Group has net current assets of £600k (liability 2022: £469k).

The directors proposed and paid a dividend of £1,321k (2022: £1,255k) during the year.

On 12th May 2023, the directors proposed and paid a dividend of £1,610k (2022: £187k on 30th August 2023).

#### Directors' Report (continued)

##### Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

##### Subsequent events

There were no significant subsequent events that would require adjustment to the Group's financial statements.

##### Political contributions

The Group did not make any political contributions during the year (2022: Enil).

##### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the Company and Group's auditor is 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 and Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. In accordance with section 414B of the Companies Act 2006, the directors have elected to take advantage of the exemption from preparing a Strategic Report.

Approved by the Board and signed on its behalf by:

Julian Skinner

Director

Date: 26 September 2023

DocuSigned by:

Julian Skinner

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15 Diddenham Court, Lambwood Hill,  
Grazeley, Reading, RG7 1JQ

#### **Directors' Responsibilities Statement**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

In accordance with section 414B of the Companies Act 2006, the directors have elected to take advantage of the exemption from preparing a Strategic Report.

## **Independent auditor's report to the members of Sundance Acquisitions Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Sundance Acquisitions Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- *have been prepared in accordance with the requirements of the Companies Act 2006.*

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statement; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

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

#### **Conclusions relating to going concern**

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

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

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



#### **Other information**

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

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

We have nothing to report in this regard.

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

**Extent to which the audit was considered capable of detecting irregularities, including fraud**

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

We considered the nature of the group's industry and its control environment, and reviewed the group's *documentation of their policies and procedures relating to fraud and compliance with laws and regulations*. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

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

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the environmental legislation, the Health and Safety at Work etc. Act of 1974, Data Protection Act 2018, and the electricity generation and supply licenses.

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

- As a result of performing the above, we identified the greatest potential for fraud in relation to the cut-off and accuracy of revenue, and the valuation and allocation of accrued income, specifically in respect of the ROC Revenue, given the estimation uncertainty in the calculation of the accrued income balance.

In response to revenue recognition risk, we performed substantive testing of the revenue recognised to external support, and we traced revenue received to bank statements. Our procedures also included inspection of invoices received subsequent to year end and recalculation of income accruals.

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

In addition to the above, our procedures to respond to the risks identified included the following:

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

**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

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

**Matters on which we are required to report by exception**

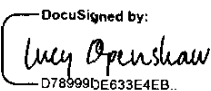
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

**Use of our report**

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

DocuSigned by:  
  
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Lucy Openshaw, FCA  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
26 September 2023

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
 FOR YEAR ENDED 31 MARCH 2023**

	Notes	2023 £'000	2022 £'000
Turnover	5	7,151	6,188
Cost of sales		(1,247)	(1,041)
<b>Gross profit</b>		<u>5,904</u>	<u>5,147</u>
Administrative expenses		(2,428)	(2,398)
<b>Operating profit</b>	6	<u>3,476</u>	<u>2,749</u>
Finance costs	7	(1,297)	(1,348)
Profit before taxation		<u>2,179</u>	<u>1,401</u>
Tax on profit	8	(83)	(383)
<b>Profit for the financial year</b>		<u>2,096</u>	<u>1,018</u>
<b>Other comprehensive income</b>			
Effective portion of changes in fair value of cash flow hedges	17	2,533	2,125
Income tax on other comprehensive income	20	(633)	(441)
<b>Other comprehensive income</b>		<u>1,900</u>	<u>1,684</u>
<b>Attributable to equity shareholders of the Company</b>		<u><u>3,996</u></u>	<u><u>2,702</u></u>

The statement of comprehensive income has been prepared on the basis that all results are derived from continuing operations.

There were no recognised gains and losses other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 33 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2023**

	Notes	2023 £'000	2022 £'000
<b>Non-current Assets</b>			
Goodwill	9	1,317	1,390
Tangible fixed assets	10	39,788	42,381
Debtors: amounts falling due after one year	12	3,148	615
		<b>44,253</b>	<b>44,386</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	1,403	1,586
Cash and cash equivalents	13	2,140	471
		<b>3,543</b>	<b>2,057</b>
Creditors: amounts falling due within one year	14	(2,943)	(2,526)
Net current assets/liabilities		<b>601</b>	<b>(469)</b>
Total assets less current liabilities		<b>44,854</b>	<b>43,917</b>
Creditors: amounts falling due after more than one year	15	(28,563)	(30,667)
Provisions for liabilities	20	(2,574)	(2,208)
<b>Net assets</b>		<b>13,716</b>	<b>11,042</b>
<b>Capital and reserves</b>			
Called up share capital	18	16,017	16,017
Other reserves	18	2,361	461
Profit and loss account	18	(4,662)	(5,436)
<b>Equity shareholders' funds</b>		<b>13,716</b>	<b>11,042</b>

The notes on pages 18 to 33 form part of these financial statements.

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

The accounts of Sundance Acquisitions Limited (registered number 09880877) were approved by the board of directors and authorised for issue on 26 September 2023

They were signed on its behalf by:

Julian Skinner  
Director

DocuSigned by:  
*Julian Skinner*  
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COMPANY BALANCE SHEET  
AS AT 31 MARCH 2023

	Notes	2023 £'000	2022 £'000
<b>Non-current Assets</b>			
Fixed asset investments	11	1,769	1,769
Debtors: amounts falling due after one year	12	58,055	55,522
		<u>59,824</u>	<u>57,291</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	2	3
Cash and cash equivalents	13	2,140	468
		<u>2,142</u>	<u>471</u>
Creditors: amounts falling due within one year	14	(10,844)	(7,774)
Net current liabilities		<u>(8,702)</u>	<u>(7,303)</u>
Total assets less current liabilities		<u>51,121</u>	<u>49,988</u>
Creditors: amounts falling due after more than one year	15	(28,563)	(30,667)
Provisions for liabilities	20	(787)	(154)
Net assets		<u><u>21,771</u></u>	<u><u>19,167</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	16,017	16,017
Other reserves	18	2,361	461
Profit and loss account	18	3,393	2,689
Equity shareholders' funds		<u><u>21,771</u></u>	<u><u>19,167</u></u>

The notes on pages 18 to 33 form part of these financial statements.

The profit for the financial year dealt with in the financial statements of the parent Company was £2.1m (2022: £1.9m)

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own statement of comprehensive income

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

The accounts of Sundance Acquisitions Limited (registered number 09880877) were approved by the board of directors and authorised for issue on 26 September 2023

They were signed on its behalf by:

**Julian Skinner**  
Director

DocuSigned by:  
*Julian Skinner*  
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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Called up share capital £'000	Other Reserves £'000	Profit and Loss account £'000	Total equity £'000
<b>Balance at 1 April 2021</b>		16,017	(1,223)	(5,199)	9,595
Dividend Paid	19	-	-	(1,255)	(1,255)
Profit for the year		-	-	1,018	1,018
Revaluation of MTM SWAP (net of deferred tax)	18	-	1,684	-	1,684
<b>Total movement in the year</b>		-	1,684	(237)	1,447
<b>Balance at 31 March 2022</b>		<b>16,017</b>	<b>461</b>	<b>(5,436)</b>	<b>11,042</b>
<b>Balance at 1 April 2022</b>		16,017	461	(5,436)	11,042
Dividend Paid	18	-	-	(1,321)	(1,321)
Profit for the year		-	-	2,096	2,096
Revaluation of MTM SWAP (net of deferred tax)	18	-	1,900	-	1,900
<b>Total movement in the year</b>		-	1,900	775	2,675
<b>Balance at 31 March 2023</b>		<b>16,017</b>	<b>2,361</b>	<b>(4,661)</b>	<b>13,716</b>

**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	Called up share capital £'000	Other Reserves £'000	Profit and Loss account £'000	Total equity £'000
<b>Balance at 1 April 2021</b>		16,017	(1,223)	1,998	16,792
Dividend Paid	18	-	-	(1,255)	(1,255)
Profit for the year		-	-	1,946	1,946
Revaluation of MTM SWAP (net of deferred tax)	18	-	1,684	-	1,684
<b>Total movement in the year</b>		-	1,684	691	2,375
<b>Balance at 31 March 2022</b>		<b>16,017</b>	<b>461</b>	<b>2,689</b>	<b>19,167</b>
<b>Balance at 1 April 2022</b>		16,017	461	2,689	19,167
Dividend Paid	18	-	-	(1,321)	(1,321)
Profit for the year		-	-	2,025	2,025
Revaluation of MTM SWAP (net of deferred tax)	18	-	1,900	-	1,900
<b>Total movement in the year</b>		-	1,900	704	2,604
<b>Balance at 31 March 2023</b>		<b>16,017</b>	<b>2,361</b>	<b>3,393</b>	<b>21,771</b>

The notes on pages 18 to 33 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 MARCH 2023**

		<b>2023</b>	<b>2022</b>
	<i>Notes</i>	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>			
Profit before taxation for the financial year		<b>2,179</b>	1,401
<b>Adjustments for:</b>			
Amortisation of goodwill	9	<b>73</b>	74
Depreciation of tangible fixed assets	10	<b>2,213</b>	2,232
Finance costs	7	<b>1,297</b>	1,348
<b>Operating cash flow before movement in working capital</b>		<b>5,762</b>	5,055
Decrease/(Increase) in debtors		<b>183</b>	(402)
Increase/(Decrease) in creditors		<b>250</b>	(71)
<b>Net cash generated from operating activities</b>		<b>6,195</b>	4,582
<b>Cash flows from financing activities</b>			
Repayment of bank loan - principal		<b>(2,037)</b>	(1,940)
Repayment of bank loan - interest		<b>(829)</b>	(924)
Repayment of shareholder loan - interest	7	<b>(339)</b>	(328)
Dividend	18	<b>(1,321)</b>	(1,255)
<b>Net cash used in financing activities</b>		<b>(4,526)</b>	(4,447)
<b>Net decrease in cash and cash equivalents</b>		<b>1,669</b>	135
<b>Cash and cash equivalent at beginning of period</b>		<b>471</b>	336
<b>Cash and cash equivalents at the end of the period</b>	13	<b>2,140</b>	471

The notes on pages 18 to 33 form part of these financial statements.



COMPANY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2023

		2023 £'000	2022 £'000
	Notes		
<b>Cash flows from operating activities</b>			
Profit before taxation for the financial year		2,064	1,947
<b>Adjustments for:</b>			
Finance costs	7	1,229	1,327
<b>Operating cash flow before movement in working capital</b>		<u>3,293</u>	<u>3,274</u>
Decrease in debtors		2	2
Increase in creditors		2,903	1,303
<b>Net cash generated from operating activities</b>		<u>6,198</u>	<u>4,579</u>
<b>Cash flows from financing activities</b>			
Repayment of bank loan - principal		(2,037)	(1,940)
Repayment of bank loan - interest		(829)	(924)
Repayment of shareholder loan - interest	7	(339)	(328)
Dividend	18	(1,321)	(1,255)
<b>Net cash used in financing activities</b>		<u>(4,526)</u>	<u>(4,447)</u>
<b>Net decrease in cash and cash equivalents</b>		<b>1,672</b>	<b>132</b>
<b>Cash and cash equivalent at beginning of period</b>		<b>468</b>	<b>336</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<u><b>2,140</b></u>	<u><b>468</b></u>

The notes on pages 18 to 33 form part of these financial statements.

**Notes***(forming part of the financial statements)***1 General information**

Sundance Acquisitions Limited (the "Company") is a private company limited by shares and incorporated in the United Kingdom under Companies Act 2006 and is registered in England and Wales. The registered number is 09880877. Its registered head office is located at 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, RG7 1JQ.

The principal activity of the Company and its subsidiaries (the "Group") is the operation of ground mounted solar photovoltaic installations in the UK. The Group's strategy is to operate these installations efficiently and optimise generation revenues, whilst maintaining the installations to maximise generation of electricity over the installation's economic life. The Group operates a lean business model to assist achieving its objective of generating returns for its investors.

**2 Accounting policies****2.1 Basis of Preparation**

The Group and parent Company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014 (2021 amendments have also been applied). The presentation currency of these financial statements is Pounds Sterling.

The Group has applied the exemption granted by paragraph 33.1A of FRS 102 Related Party Disclosures transactions with members of the same group.

The Company has prepared these financial statements in accordance with FRS 102 section 1A.

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

**2.2 Measurement convention**

The financial statements are prepared on the historical cost basis, except for interest rate swap which is measured at fair value, see Note 2.5 (iv).

**2.3 Going concern**

The Group made a profit before taxation of £2,179k (2022: £1,401k) and has net assets of £13,716k (2022: £11,042k). The Group has net current assets of £600k (liability 2022: £469k).

The portfolio performed well during the year relative to the P50 generation target. The O&M provider, Anesco Limited, continues to proactively monitor the asset performance.

The Russian invasion of Ukraine commenced in February 2022. Due to Europe's reliance on Russian commodities, the assault resulted in gas and coal prices recording new all-time highs. These high fuel prices fed into wholesale electricity prices, resulting in the historic high prices being maintained, despite an increase in renewable generation. The portfolio's revenue structure is largely fixed due to the Renewable Obligation Certificate and Power Purchase Agreement floor price, however as longterm power prices increased, the portfolio hedged power price exposure for until April 2026.

The Group's forecasts and projections, taking into account potential changes in trading patterns, indicate that the Group will be able to continue current operations for the foreseeable future.

In performing their review, the directors have considered the commitment and ability of the parent company to continue to be able to provide ongoing financial support. The directors have sought and obtained a letter of support from the directors of the parent company; and assessed the adequacy of that company providing such support. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

**2 Accounting policies (continued)****2.4 Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2023. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

There are no subsidiary accounts which have a different report date. There are no subsidiaries excluded from the consolidation.

In the parent Company financial statements, investments in subsidiaries are carried at cost less impairment.

**2.5 Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Gains/losses are recognised through OCI.

*(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

**2 Accounting policies (continued)****2.5 Financial instruments (continued)***(ii) Investments*

In the Company balance sheet, investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

*(iii) Equity instruments*

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

*(iv) Derivative financial instruments*

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

*(v) Fair value measurement*

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

*(vi) Hedging*

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether there are any causes that would result in the derivatives that are used in hedging transactions to be ineffective.

The gain or loss is recognised immediately in the other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account. Amounts previously recognised in other comprehensive income and accumulated equity are reclassified to profit and loss in the periods in which the hedge item affects profit or loss when the hedging relationship ends.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedge item is recognised in profit or loss.

**2 Accounting policies (continued)****2.6 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of site preparation, installation and assembly, and testing of functionality.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- Solar photovoltaic (PV) facilities: 25 years

The estimated useful life of the asset is based on the life the Solar PV facilities are expected to be in operation.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

**2.7 Intangible assets and goodwill****Goodwill**

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

Goodwill arises as a result of the acquisition of subsidiaries with investments in Solar PV farms, and is amortised on a straight-line basis over its useful life, with no residual value. The useful economic life of goodwill is considered to be 25 years, in line with the useful life of the Solar PV farm assets.

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 of FRS 102 - "Impairment of assets", when there is an indication that goodwill or another intangible asset may be impaired.

**2.8 Impairment excluding stocks and deferred tax assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

**Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. The recoverable amount is derived from measurement of the present value of the future cash flows of the cash-generating units.

**Financial assets (including trade and other debtors)**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**2 Accounting policies (continued)****2.9 Provisions**

A provision is recognised in the balance sheet when the entity has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Where the parent company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company treats the guarantee contract as a contingent liability in its individual financial statements until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

**Decommissioning provision**

Provisions for decommissioning are recognised in full when the related facilities are constructed. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its net present value, and is reassessed each year in accordance with local conditions and requirements. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

**2.10 Turnover****Revenue**

*Sales of Electricity*: Revenue comprises the fair value of the consideration received or receivable in respect of the invoiced value of generated electricity, Renewable Obligation Certificates (ROCs) and accrued income. Revenue is shown net of sales/value added tax, returns, rebates and discounts.

Revenue on the generation of energy comprises the value of units supplied during the year. Units are determined by energy volumes recorded on the solar park meters and market settlement systems.

Feed-In Tariff is revenue received through a government programme, recognised by the number of units of electricity generated (Mwh). The FIT rate for the 12 months to March 2023 was £75.93.

Under the terms of its Power Purchase Agreements with customers, ROCs are immediately transferable to the customer. Revenue in relation to ROCs is recognised in line with the generation of energy.

Accrued income represents the sales value of energy (and related ROCs) which is yet to be invoiced and is based upon the value of units supplied with respect to energy and quantity of units supplied with respect to ROCs.

The Company recognises revenue when:

- The amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company's activities.

*Sales of services*: The Company provides management services to its subsidiaries in the form of asset management, corporate services and financing coordination services. These are charged by the Company to subsidiaries in the form of management service charges.

There is only one operating activity and all revenue is generated within the United Kingdom.

**2 Accounting policies (continued)****2.11 Expenses***Operating leases*

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case, the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

*Interest receivable and interest payable*

Interest payable and similar expenses includes interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss.

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income from investments is recognised in the profit and loss account when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

*Dividend payment*

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

Interim dividends are recognised when paid.

**2.12 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

**3 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Groups' accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**3.1 Critical judgements in applying the Group's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

*i) Useful lives of property, plant and equipment*

The determination of useful lives of property, plant and equipment requires judgement in assessing the assets' level of use and maintenance. Assumptions regarding the level of use and the impact of continuing maintenance regimes, as well as lease agreements and potential of extension of lease periods, determines the useful life of the asset to which entail a degree of judgement. At 31 March 2023 the depreciation charged in the profit and loss account is £2.2m (2022: £2.2m).

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

*i) Accrued income*

Estimates must be made at the point of recognition in respect of elements of the accrued income including the ROC recycling revenue. This is due to rates not being published to at least 9 months after the period end and rates being based on market conditions. These are based on the Group's best estimate of the price at the time based on previous history of settled prices. In order to determine an appropriate estimate, the Group have made use of forecasts provided by industry experts. These forecasts indicate that the ROC recycle price should be roughly 10% of the ROC buyout price, which is in line with Ofgem's ROC shortfall target.

As a result of the estimate, the accrued revenue recorded in the profit and loss account is £280.9k (2022: £333.9k).

*ii) Decommissioning provision*

Decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new technology or experience at other assets. The expected timing, work scope and amount of expenditure may also change. Therefore significant estimates and assumptions are made in determining the provision for decommissioning. The Group engaged their specialist O&M providers to undertake an assessment of the estimated cost of decommissioning the sites, being £20k/MW (excluding inflation). The provision has been discounted at an annual rate of 3.82% (2022: 1.83%) and this discount is being unwound over the lease term of each asset.

*iii) Derivative instrument*

As part of the Group's risk management strategy, the Group has entered into a derivative instrument which includes interest rate swaps to mitigate interest rate exposure and to hedge the variability of expected future cash interest payments. The derivative was initially recognised at fair value at the date the contract was entered into. The derivative is subsequently remeasured to fair value at each reporting date based on valuation reports provided by the lender (ING) using indicative mid-market prices.



**4 Staff numbers and costs**

The Company and group had no employees during the period. There are two directors who are paid by a related party (2022: no employees), (2022: £nil)

**5 Turnover**

An analysis of the Group's turnover by class of business is set out below.

	2023	2022
	£'000	£'000
<b>Turnover:</b>		
Power Purchase Agreement	3,117	2,631
Renewables Obligation Certificate	3,318	3,104
Renewables Energy Guarantees Origin	151	21
Feed-in tariffs	492	396
Battery revenue	73	34
Other	-	2
	<b>7,151</b>	<b>6,188</b>

The entirety of the group turnover arises from the provision of electricity in the UK market.

**6 Operating profit**

Profit before taxation is stated after charging:

		2023	2022
	Notes	£'000	£'000
Depreciation of tangible fixed assets	10	2,213	2,232
Amortisation of goodwill	9	73	74
Auditor's remuneration - audit of annual financial statements		66	62
Operating lease rentals	19	372	278

There are no non-audit fees included in the auditor's remuneration for the year (2022: £Nil).

The auditors have not been appointed to perform any other services other than the audit of the annual accounts (2022: £Nil).

**7 Finance costs**

	2023	2022
	£'000	£'000
Interest and fees on external loans	867	924
Amortisation of debt arrangement fee	61	64
Interest on amounts owed to parent company	339	339
Unwinding of discount on decommissioning provision	30	21
	<b>1,297</b>	<b>1,348</b>

**8 Tax on profit**

The tax charge comprises:

	2023 £'000	2022 £'000
<b>Deferred tax</b>		
Origination and reversal of timing differences	84	343
Adjustment in respect of previous periods	-	40
<b>Total deferred tax (see note 20)</b>	<b>84</b>	<b>383</b>
<b>Total tax on profit</b>	<b>84</b>	<b>383</b>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax of 19% (2021: 19%) to the profit before tax is as follows:

	2023 £'000	2022 £'000
<b>Group profit before tax</b>	<b>2,179</b>	<b>1,401</b>
Effects of:		
- Tax at 25% (2022: 25%)	414	266
- Expenses not deductible for tax purposes	30	29
- Tax rate changes	20	211
- Effects of group relief/other reliefs	(386)	(167)
- Adjustments to tax charge in respect of previous years	-	40
- Deferred tax not provided	6	4
<b>Group total tax charge for year</b>	<b>84</b>	<b>383</b>

Deferred tax not provided relates to unwinding discount on decommissioning cost.

Deferred taxes have been measured at 19% (2022 - 19%) which represents future corporation tax that was enacted at the balance sheet date. The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the COVID-19 pandemic. These included increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted on 24 May 2021.

**9 Goodwill**

<b>Group</b>	<b>Goodwill £'000</b>
<b>Cost</b>	
Balance at 1 April 2022	1,846
<b>Balance at 31 March 2023</b>	<b>1,846</b>
<b>Amortisation and impairment</b>	
Balance at 1 April 2022	(456)
Amortisation for the year	(13)
<b>Balance at 31 March 2023</b>	<b>(529)</b>
<b>Net book value</b>	
<b>At 31 March 2023</b>	<b>1,317</b>
At 31 March 2022	1,390

Goodwill has arisen from the acquisition of the underlying solar portfolio in February 2016. Goodwill is being amortised over the useful life of the assets (25 years).

**10 Tangible fixed assets**

<b>Group</b>	<b>Plant &amp; Equipment £'000</b>
<b>Cost</b>	
Balance at 1 April 2022	55,844
Change in estimate	(380)
<b>Balance at 31 March 2023</b>	<b>55,464</b>
<b>Depreciation and impairment</b>	
Balance at 1 April 2022	(13,463)
Depreciation charge for the year	(2,213)
<b>Balance at 31 March 2023</b>	<b>(15,676)</b>
<b>Net book value</b>	
<b>At 31 March 2023</b>	<b>39,788</b>
At 31 March 2022	42,381

**Security**

The net amount of tangible fixed assets is charged against security for liabilities with ING Bank.

The change in estimate of £380k relates to the decommissioning provision aspect of the solar photovoltaic installations. This revision is due to a) the change in inflation in FY 2022 (and projections for FY 2023 and beyond) and b) an adjustment to the discount rate from 1% to 3.82%. This has impacted the NPV calculation for the estimated £20k per MW future decommissioning cost.

## 11 Fixed asset Investments

Company	Investments in subsidiary companies £'000
<b>Cost or valuation</b>	
At 1 April 2022 and 31 March 2023	1,769
<b>Net book value</b>	
At 31 March 2022 and 31 March 2023	<u>1,769</u>

Subsidiaries, included within the consolidation, at 31 March 2023 and 2022, and the Company's percentage of share capital and class of shares are set standard rate of UK corporation tax of 19% (2021: 19%) to the profit before tax is as follows:

Name	Principal activity	Registered office	Class and Percentage of shares acquired	Companies House Number
Anesco Berry Court Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09209362
Anesco Stud Farm Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09209991
Brookside Solar Farm Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09635148
Beeches Solar Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09635142
EBS Wymeswold Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09273660
Fell View Solar Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09035686
Grimstargh Solar Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	07521321
Hermitage Solar Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09209721
Lincoln Skegness Solar Farm Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09234470
The Rushes Solar Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09635161
Sheep Shed Solar Limited	Solar (PV) farm	15 Diddenham Court Lambwood Hill, Grazeley, Reading, RG7 1JQ	Ordinary 100%	09634802

The company has provided the necessary guarantees under Section 479A of the Companies Act entitling all the subsidiaries noted above to an audit exemption for the year ended 31 March 2023.

**12 Debtors**

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade and other debtors	1,026	116	-	3
VAT	58	51	-	-
Prepayments	319	179	2	-
Accrued income	1,018	1,240	-	-
Loan receivable from subsidiaries	-	-	54,907	54,907
Other financial assets (see note 17)	3,148	615	3,148	615
	<u>5,569</u>	<u>2,201</u>	<u>58,057</u>	<u>55,525</u>
Due within one year	2,421	1,586	2	3
Due after more than one year	3,148	615	58,055	55,522
	<u>5,569</u>	<u>2,201</u>	<u>58,057</u>	<u>55,525</u>

Loans receivable from subsidiaries accrue interest at a rate of 6% p.a. The loans are repayable on demand but the directors have given an undertaking that they will not recall any of the loans within one year of when the financial statements are signed.

The directors consider that the carrying value of the intercompany loans is equal to their fair values.

**13 Cash and cash equivalents**

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Cash and cash equivalents	<u>2,140</u>	<u>471</u>	<u>2,140</u>	<u>468</u>

**14 Creditors: amounts falling due within one year**

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loans (see note 16)	2,142	1,977	2,142	1,977
VAT	-	-	8	6
Trade creditors	618	392	32	28
Accruals	183	157	135	118
Amounts owed to subsidiaries	-	-	8,527	5,645
	<u>2,943</u>	<u>2,526</u>	<u>10,844</u>	<u>7,774</u>

Amounts owed to subsidiaries are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**15 Creditors: amounts falling due after more than one year**

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Bank loans (see note 16)	24,801	26,905	24,801	26,905
Amounts owed to parent company (see note 16)	3,762	3,762	3,762	3,762
	<u>28,563</u>	<u>30,667</u>	<u>28,563</u>	<u>30,667</u>

Loans payable to the parent company have interest rate of 9% p.a. The loans are repayable on demand but the directors of the parent company have given an undertaking that they will not recall any of the loan within one year of when these financial statements are signed.

**16 Interest-bearing loans and borrowings**

This note provides information about the contractual terms of the Group's and parent Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Creditors falling due more than one year</b>				
Secured bank loans	25,079	27,239	25,079	27,239
Less: Borrowing costs	(279)	(334)	(279)	(334)
Amounts owed to parent company	3,762	3,762	3,762	3,762
	<u>28,562</u>	<u>30,667</u>	<u>28,562</u>	<u>30,667</u>
	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Creditors falling due within one year</b>				
Secured bank loans	2,196	2,037	2,196	2,037
Less: deferred loan arrangement fees	(54)	(60)	(54)	(60)
	<u>2,142</u>	<u>1,977</u>	<u>2,142</u>	<u>1,977</u>

Bank loans of £27.2m (2022: £29.2m) of senior loan are secured with charges over the share capital and assets of the group.

Senior loans mature on 30 December 2033 and bore a floating interest rate of 1.58% plus SONIA (2022: 1.3% plus LIBOR) per annum during the year ended 31 March 2023.

The bank loan is repayable in installments every 6 months up to maturity in 2033. The amount of the bank loan due after more than 5 years is £16.1m (2022: £18.4m).

Borrowing costs of £0.85 million were capitalised and are amortised in proportion to the principal balance which reduces over the life of the loan. An amortisation charge of £60.0k (2022: £64.2k) was recognised in the profit and loss account during the year.

Amounts owed to parent company represent loan notes bearing interest rate of 9% per annum

The carrying amount of borrowings is equal to fair value.

**17 Other financial (assets)/liabilities****Derivative financial instruments**

Derivatives are only used for economic hedging purposes and not as speculative investments. The Group has the following derivative financial instrument:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Non-Current</b>				
Interest rate swaps – cash flow hedge	(3,148)	(615)	(3,148)	(615)
	<u>(3,148)</u>	<u>(615)</u>	<u>(3,148)</u>	<u>(615)</u>

At 31 March 2023, the fixed interest rate is 1.6490% per annum and the floating rate is SONIA. The notional amount is £27.2m (2022: £29.2m). The swap is being used to hedge the cash flow exposure to changes in the variable interest rate of the loan. The hedged cash flows are expected to occur and to affect the profit or loss over the period to maturity of the interest rate swap. The interest rate swap is valued at the present value of the future cash flows estimated and discounted based on the applicable yield curves from quoted interest rates. The interest rate swap is settled twice a year, every March and September.

The movement on the swap fair value of £2,533k (2022: £2,125k) is recognised in other comprehensive income.

**18 Called-up share capital and reserves**

	2023	2022
	£'000	£'000
Allotted, called-up and fully-paid		
16,016,912 ordinary shares of £1 each	<u>16,017</u>	<u>16,017</u>

The Group and Company's other reserves are as follows:

- The profit and loss reserve represents cumulative profits or losses, net of dividends paid.
- Dividends declared and paid in the year total £1,321k (2022: £1,255k).
- Other reserves represent the movement on interest rate swaps recognised in other comprehensive income. The total movement during the year (net of deferred tax) was £1,900k (2022: £1,684k).

**19 Operating leases**

Non-cancellable operating lease rentals for the group are payable as follows:

	2023	2022
	£'000	£'000
Less than one year	372	278
Between one and five years	1,488	1,112
More than five years	<u>4,954</u>	<u>3,982</u>
	<u>6,814</u>	<u>5,372</u>

The operating leases noted above relate to the lease of land on which the solar sites are situated.

During the period £372k (2022: £278k) was recognised as an expense in the profit and loss account in respect of operating leases.

No operating leases are held by the company

**20 Provisions for liabilities**

	Deferred tax liability £'000	Decomm. Provision £'000	Total £'000
<b>Group</b>			
At 1 April 2022	1,032	1,175	2,207
Opening balance adjustment	-	(380)	(380)
Charged to profit and loss account	83	30	113
Charged to other comprehensive income	633	-	633
At 31 March 2023	<u>1,748</u>	<u>825</u>	<u>2,573</u>
		Deferred tax (asset)/liability £'000	Total £'000
<b>Company</b>			
At 1 April 2022		154	154
Charged to other comprehensive income		633	633
At 31 March 2023		<u>787</u>	<u>787</u>

A provision has been recognised for decommissioning costs associated with the solar farms owned by the Group. The Group is committed to decommissioning the solar farms as a result of the construction of the solar farms for the production of power.

The provision has been discounted at an annual rate of 3.82% (2022: 1.83%) and this discount will be unwound and charged to the profit and loss account. The estimated date of decommissioning the sites will vary depending on the specific lease end dates, with the earliest of these being in the year ending 31 March 2041.

There is a decrease in provision of £380k to the decommissioning provision aspect of the solar photovoltaic installations. This is due to a) the change in inflation in FY 2022 (and projections for FY 2023 and beyond) and b) an adjustment to the discount rate from 1% to 3.82%. This has impacted the NPV calculation for the estimated £20k per MW future decommissioning cost.

**Deferred tax**

Deferred tax is provided as follows:

	2023 £'000	2022 £'000
<b>Group</b>		
Fixed asset timing differences	1,756	1,754
Losses	(794)	(876)
Short term timing differences	787	154
<b>Provision for deferred tax</b>	<u>1,749</u>	<u>1,032</u>
<b>Company</b>		
Short term timing differences	787	154
<b>Provision for deferred tax</b>	<u>787</u>	<u>154</u>

The short term timing difference figure is deferred tax at 25% on the derivative (interest rate swap) that flows through reserves. The fixed asset timing differences result from comparing the book values of tangible fixed assets to the capital allowance pool values.

Deferred tax assets and liabilities are offset only where the Group has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Group.

There is no expiry date on timing differences, unused tax losses or tax credits.

The effect of deferred tax not provided for is the result of the tax impact of the unwinding of the decommissioning provision to the Statement of Comprehensive Income, for which deferred tax has not been recognised.



**21 Subsequent events**

On 12th May 2023, the directors proposed and paid a dividend of £1,610k (2022: £187k on 30th August 2023).

There are no other significant events that would require adjustment to the Group's financial statements.

**22 Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of Sundance Acquisitions Midco Limited (company registration number: 09880838). The registered address of Sundance Acquisitions Midco Limited is: 15 Diddenham Court, Lambwood Hill, Grazeley, Reading, RG7 1JQ.

The Company is ultimately controlled by Arjun GP (company registration number: SC589945), which is the ultimate parent company.

As Arjun GP does not prepare consolidated accounts for public use, the largest group which prepares consolidated accounts in which the results of the Company and its group are included is FiveSuns 1 Limited, a Jersey-registered company, with a UK establishment (company registration number: 128368). The registered address of FiveSuns 1 Limited is: 3rd Floor 37 Espanade, St Helier, Jersey, JE1 1AD. The UK establishment number is BR022535. The UK establishment address is C/O AlterDomus (UK) Limited, 10th Floor, London, 30 St Mary Axe, EC3A 8BF.

The smallest group which prepares consolidated accounts in which the results of the Company and its Group are included is headed by the Company itself.