Registered Number: 07443091

ANESCO LIMITED

ANNUAL REPORT AND STATUTORY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ANESCO LIMITED

COMPANY INFORMATION

DIRECTORS	Hildagarde McCarville Mark Browning
REGISTERED NUMBER	07443091
REGISTERED OFFICE	The Green Easter Park Benyon Road Reading Berkshire RG7 2PQ
INDEPENDENT AUDITOR	Deloitte LLP Abbots House Abbey Street Reading RG1 3BD

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STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

PRINCIPAL ACTIVITIES

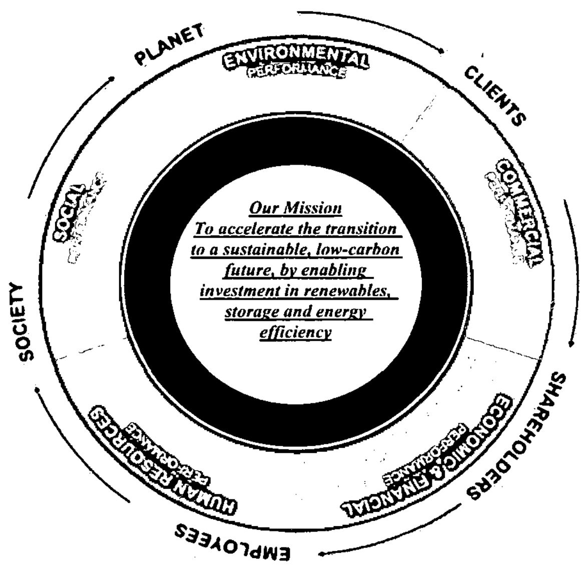
Anesco Limited ("the Company") is part of the group of companies headed by Quanesco Topco Limited ("the Group") which all operate under the Anesco brand with common directorship between the Company and Quanesco Topco Limited. As such the governance and control of Quanesco Topco Limited have a direct bearing on the activities of Anesco Limited and therefore the Group is referenced in this Strategic Report where relevant. The Group and Company are controlled by Ara Advisors, LLC ("Ara").

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

Our Mission

Our mission is to accelerate the transition to a low carbon future by enabling investment in renewables, storage and energy efficiency. Technology advances, legislative requirements in light of a net zero target, prioritisation of energy security in light of the war in Ukraine combined with sustained high energy prices are driving a rapid increase in the deployment of renewables and energy storage, as investors move away from legacy fossil fuel assets into more environmentally responsible investments. High energy prices are also adding new urgency to the need to improve domestic energy efficiency, so as to reduce the number of citizens in the UK affected by fuel poverty.

We will deliver our mission through a multi-faceted performance model to ensure that business decisions are made with the interests of our key stakeholders in mind.



Starting with the budget process for the year ended 31 March 2024 we have implemented our multi-faceted performance model to ensure alignment between our mission, our stakeholders and the performance of our business.

All business leaders have set objectives for the coming year based on this performance model and KPIs have been defined for measuring our performance against those objectives.

We are also guided by the UN Sustainable Development goals through which we articulate our purpose and the positive impact that we have on our stakeholders. Specifically we focus on the following UN Sustainable Development goals:

3 GOOD HEALTH AND WELL-BEING

We provide access for all **Employees** to Medi-cash scheme, support helplines and optional medical insurance, trained mental health first aiders. Focus on Health & Safety #WeAreSafe.

4 QUALITY EDUCATION

Commitment to the development of **Employees** via training/coaching programs to ensure their safety, technical competence and that they can develop to be their best selves.

5 GENDER EQUALITY

HR policies and processes implemented to promote gender equality amongst **Employees**. Awareness training on unconscious bias to support policies.

7 AFFORDABLE AND CLEAN ENERGY

Enabling investment into clean energy (Solar PV & Storage) to protect our **Planet** and Managing Agent for the ECO scheme to reduce energy costs for the most vulnerable in **Society**.

8 DECENT WORK AND ECONOMIC GROWTH

Providing a safe and supportive working environment for **Employees** to flourish., with appropriate remuneration. Supporting the development of local communities.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Construction projects that provide energy infrastructure to benefit **Society** using of cutting-edge technology and the use of circular products.

10 REDUCED INEQUALITIES

Managing Agent for the ECO scheme which targets individuals in **Society** who are currently in fuel poverty and enables investment in energy efficiency improvements.

11 SUSTAINABLE CITIES AND COMMUNITIES

Enabling investment for our **Clients** into clean energy projects (reduce carbon generation and air pollution) and energy efficiency measures (reduce carbon consumption).

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Benefiting the **Planet** by upgrading our vehicle fleet to lower carbon consumption, using clean energy in our offices through roof top solar and installing EV charging for **Employees**.

13 CLIMATE ACTION

Taking action on Climate Change through enabling investment for our **Clients** in clean energy production and energy efficiency measures in order to protect our **Planet**.

15 LIFE ON LAND

Responsible development to avoid impact on existing ecosystems and proactive measures in construction projects to increase biodiversity on our sites for the benefit of the **Planet**.

17 PARTNERSHIPS FOR THE GOALS

We **Partner** with non-profit and youth organisations such as Klimaat Energie Koppel to promote the acceleration towards green energy, energy efficiency and greater equality.

BUSINESS REVIEW

Services provided by the Group

Development	The Group to identifies and develops potential sites for grid scale solar PV (solar photovoltaic) and BESS (Battery Energy Storage Systems) installations through obtaining all the required licenses, permits, leases and agreements to provide a site that is ready for construction.
EPC/EPCm ("EPC")	The Group provides services covering engineering, procurement and construction for grid scale solar PV or BESS installations under contracts where the scope ranges from being the primary contractor with early works completed on projects to a full EPC management service.
O&M	The Group provides operational and maintenance services for operational solar PV or BESS installations (incorporating both ground mount and roof top solar PV assets) including both contracted maintenance and remedial works, including repowering projects.
Optimisation	The Group provides data-driven revenue optimisation services for BESS asset owners by proactively targeting the highest returning revenue mix and managing the full use of the asset through remote control.
ECO	The Group acts as managing agent under OFGEM's ECO/GBIS scheme, validating and processing acquired qualifying measures from a network of installers and then selling the validated measures to utility companies who have obligations to submit qualifying measures to the regulator under the scheme.

Key Business Developments

During the year ended 31 March 2023 the Company continued to expand Development operations in the Netherlands and began to investigate opportunities for Development in Denmark, both via its wholly owned subsidiary in the Netherlands. This subsidiary is building an early-stage Development pipeline across solar PV and BESS opportunities in the Netherlands and Denmark and is expecting that the first projects become ready for value realisation in the coming year.

On 2 May 2022 the Company incorporated a new subsidiary in Germany, under the name of Anesco Deutschland GmbH, which in turn acquired 100% of the share capital of Aeos services GmbH, a company registered in Germany. Trading in Germany comprises activities across Development, EPC and O&M service lines.

During the year ended 31 March 2023 there was a change in leadership in the Company, with Mark Futyan stepping down from his role as CEO. Hildagarde McCarville was appointed as CEO in his stead from the start of January 2023. In addition, the Group welcomed a new EPC Director and a new HR Director to support the senior leadership team during the year. There were no other changes in senior leadership or the board during the current year.

Financial Key Performance Indicators

	Year to 31 March 2023	Year to 31 March 2022
	(£'000)	(£'000)
Revenue	94,619	75,085
Gross (loss) / profit	(3,755)	11,865
Adjusted EBITDA*	(21,257)	756
(Loss) for the year after taxation	(23,941)	(4,908)
Cash reserves	3,543	6,649

* Adjusted EBITDA comprises earnings before interest, tax, depreciation, amortisation, movements on foreign exchange, profit or loss on the share sale of SPVs and exceptional costs, being specific non-recurring items which would otherwise distort the underlying performance of the Company. Please see the reconciliation of loss before tax for the period to Adjusted EBITDA on Page 5.

For the year ended 31 March 2023, the Company achieved revenue of £94.6m, compared to £75.1m as reported for the year ended 31 March 2022. The increase arises from the growth in EPC and O&M, offset by reduced revenues in Development and ECO. In EPC the Company increased the number and average size of solar PV and BESS projects from the prior year and in O&M the Company won additional contracts for services and pricing on existing contracts benefitted from the inflation in the broader economy. In Development the Company was negatively impacted by both constraints in the planning system and capacity issues on the transmission network, resulting in only one site being sold during the financial year, despite significant progression in the maturity of the pipeline. In ECO, delays to the ratification of statutory instruments for ECO4 and GBIS, combined with challenges in the application of the new scheme and eligibility criteria led to a significantly reduced volume of measures being deployed in the market as compared to the previous scheme.

The Company recorded a gross loss for the period of £3.8m. The negative gross margin in the current year is primarily due to losses recognised on contracts in EPC. In line with the requirements of FRS 102 (The Financial Reporting Standard applicable in the UK and Republic of Ireland) the full amount of the expected loss on the contract should be recognised in the period in which the contract becomes onerous. The occurrence of onerous contracts in the current year is primarily due to high inflationary commodity pricing variances and supply constraint issues leading to cost overruns and programme delays, both driven by the lagging effects of the COVID-19 pandemic and the current impact of the invasion of Ukraine by Russia.

The loss for the period after taxation of £23.9m is made of up of £21.2m of underlying trading losses, £0.9m of amortisation and depreciation, £1.5m of interest expense (on the revolving credit facility taken out with Santander in the comparative period and the loan of £16m from an intermediate parent company) and £0.1m of foreign exchange losses (driven by the unfavourable exchange rate movements for GBP in relation to USD, which is the primary currency of large component purchases).

The underlying trading losses for Group (adjusted EBITDA) of £21.3m is primarily driven by the losses recognised on contracts in EPC, included in the gross loss of £3.8m.

Administrative expenses, excluding amortisation, depreciation and impairment of fixed assets were £17.6m for the financial year (£16.3m for the year ended 31 March 2022). The increase of £1.3m arose primarily from an increase in staff costs for delivery of EPC contracts and building internal capability to support further growth and from increased insurance premiums for construction risk cover.

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

	Year to 31 March 2023	Year to 31 March 2022
	£' 000	£' 000
Loss before tax	(23,823)	(5,219)
Impairment	-	65
Depreciation	352	273
Amortisation	578	496
Net interest payable	1,539	763
Exceptional items	-	3,930
Foreign exchange differences	97	448
Adjusted EBITDA	**(21,257)**	**756**

The Adjusted EBITDA of the group headed by Quanesco Topco Limited (intermediate parent of the Company) was £1.8m for the financial period ended 31 March 2022 and negative £20.3m for the financial year ended 31 March 2023

Exceptional items for the year to 31 March 2022 comprised fees relating to the sale process for the group headed by Anesco Holdings Limited (£1.8m) and the impact of the results of OFGEM audits following the end of the ECO 3 scheme (£2.1m).

Fees relating to the sale process for the group headed by Anesco Holdings Limited (a parent company of Anesco Limited) during the comparative period, totalling £1.8m, met the criteria for recognition as an exceptional item on the grounds that they are non-recurring and do not relate to the trading performance of the group. These expenses were incurred by Anesco Limited on the sell-side transaction.

The financial results presented for comparative period include the impact of the results of audits performed by OFGEM following the cessation of the government ECO3 scheme in March 2022 on measures submitted during the 3-year scheme. The financial impact of these results was a £2.1m reduction in revenue for the year ended 31 March 2022 and for the comparative, £2.7m as included in the restated results for the year ended 31 March 2021, based on the original submission date of the measures. These losses relate to a one-off audit process for the 3-year scheme as a whole, whereas under the new ECO scheme (ECO 4) increased compliance requirements prior to the point of submission, additional technical monitoring processes and the expected annual audit throughout the period of the scheme will significantly mitigate this risk going forwards. As a result of the passage of time between the original submission date and the audit process being completed, many of the original installers, which were at fault, are no longer trading and therefore the Company is unlikely to be able to recover the cost of rejected measures from the original installers. With on-going audits under the ECO 4 scheme the Company will be able to act more quickly to cease trading with installers picked up in the audit processes and are more likely to be able to recover the costs incurred for rejected measures. As a result, the ECO 3 OFGEM audit impact is deemed to be exceptional.

The cash reserves of the Company stand at £3.5m at the end of the current financial year, compared to £6.6m as at 31 March 2022. During the current financial year, the Company drew down an additional £4.0m from a revolving credit facility and borrowed £16.0m against a loan from an intermediate parent company. The cash available has primarily been used for supporting the troubled EPC projects, the payments out against the ECO3 claims and to support overheads which could not be supported by trading profits, given the onerous contract losses experienced in EPC.

Non-financial Key Performance Indicators

We are safe:
Safety is core to the Company's activities and an important differentiator for our customers. All our processes are aligned to international standards for quality management (ISO 9001), environmental management (ISO 14001) and Health & Safety management (ISO 45001). We currently hold the ROSPA President's Award to recognise the 10+ years of consecutive Gold Awards for safety performance.

We are one team:
The Company retained the Gold Investors in People award during the period, reflecting our belief that the Company's greatest asset is its people. Employees are kept informed of Company developments by regular communications from the leadership team through different methods, in person team meetings, connector days, teams posts and staff presentations delivered by the executive team and the CEO. Regular consultation with employees takes place and employees are made aware of their contribution to the Company through individual performance and development reviews, incorporating objective setting.

We are green:
The Company made significant progress on current EPC projects for the construction of 83MW of new ground mount solar capacity and 200MW of battery storage during the year, helping to increase the supply of carbon free electricity. The Company is in the early stages of projects for another 112MW of solar capacity and 70MW of battery storage, for completion during the coming financial year. Through our ECO offering we managed the delivery of 23 million "Lifetime Bill Savings" (under the ECO3 scheme) and 276 thousand "Annual Bill Savings" (under the ECO4 scheme) which both quantify the financial impact of the reduction in the energy consumption of a domestic property, which in turn reflects reduction carbon consumption.

We are responsible:
The Company substantially increased its development project pipeline in the period, closing at 3.2GW of capacity in development (versus 4.5GW at the end of the comparative period) in the UK. These projects have all been developed in close collaboration with local communities and with biodiversity a key element to the developments.

We are cutting edge:
The Company has been utilising new workflow capabilities and developing predictive maintenance capability to better manage O&M (Operations and Maintenance) services across the 1.4GW of solar PV installations under contact. A new bespoke application for the management of the ECO4 scheme delivery has been developed and implemented during the year. Key team members keep abreast of the latest developments in the industry and new hires during the period have brought additional experience and capability. The Company entered into new markets for trading BESS assets through its Optimisation capability.

We are focussed:
The Company continues to focus on its core strengths in solar PV and battery energy storage. The Company has £50m of revenue secured for the following financial year from third party EPC contracts commenced during the current period and expects to begin construction on other sites which have been self-developed. The Company has £10.3m of secured revenue on O&M contracts.

RISK EXPOSURE

During the financial year the board of directors of the Company was comprised of the Chief Executive Officer and the Chief Financial Officer. As executive board members the two Directors work closely together on a day to day basis to ensure that their duties are met. The board members are also members of the board of Quanesco Topco Limited and risks relevant to the Company are discussed at the group wide board meetings of Quanesco Topco Limited. Anesco Limited, as the primary trading entity with the group headed by Quanesco Topco Limited benefits from the work done by the Quanesco Topco Limited board and therefore this section refers to the assessment of risks by the Group.

The Group is exposed to the following risks.

Government Policy & Regulation

A supportive political and regulatory framework is important to the Group's growth agenda. The UK government remains committed to meeting legally binding UK carbon targets under the Climate Change Act, which was amended in 2019 to target net zero emissions. This is further demonstrated through the government enshrining in law an interim commitment to cut emissions by 78% by 2035 (compared to 1990 levels) which, at the time, was the most ambitious carbon reduction target in the world.

Reduction in carbon emissions

The Group is engaged in the development, design, build, maintenance and optimisation of renewable energy assets. The pipeline of the Group for these services lines is exposed to risk from government policy and regulation as it relates to the planning system and the restrictions due to the operations of National Grid Electricity Network Operator ("NGESO"). During the year ended 31 March 2023 the financial results of the Group have been impacted by constraints in the planning system and capacity issues on the NGESO, particularly in relation to the progress of projects in the development pipeline. The UK government report "Powering Up Britain" was issued by the Department of Energy Security and Net Zero ("DESNZ") in March 2023 and addressed both of these topics.

The Government proposals are to release current bottlenecks in the planning system through changes to the National Planning Policy Framework (generally for local planning decisions) and National Policy Statements (specifically for nationally significant decisions) are welcomed, but swift action is required to implement the changes in order to mitigate the current risks faced by all green energy developers in the UK. Government targets for a 3 year reduction in delivery time for upgrades required to the transmission network are also welcomed, but there is still significant work to be done by the Department of Energy Security and Net Zero to implement the required changes.

Reduction in carbon consumption

The release of the ECO4 scheme by OFGEM during the year ended 31 March 2023 provides a requirement for utility companies to make available a further £1bn (in total) of funding per year until 2026. Because of this commitment, the Group is not materially exposed to any risk on availability of funding until the end of the ECO4 scheme, however the scheme application by the government provides some deliverability risk.

Financial Risks

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

1. Price Risk
The Group is exposed to changes in the market prices of materials used for construction and maintenance services. To manage this the Group has developed a broad supply base, purchasing directly from the manufacturer where possible to minimise cost, and negotiating framework agreements with key suppliers to ensure price stability, and where possible, price reductions as a result of technological advances. Potential increases in tariffs on importing could also impact this cost for some of the materials used by the business. The Group was impacted significantly during the period as a result of price volatility on key raw material imports. In its ECO division, the business ensures that utility contracts include the flexibility to allow price adjustments in the event of a change in supply side pricing.

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

The war in Ukraine has impacted on raw material and shipping costs, primarily for the EPC division where the Group relies on imported components. This price risk is mitigated through the same measures as explained above. The Group has established a centralised procurement function to improve the supplier management and standardise the engagement with suppliers across the Group.

2. Credit Risk
The Group's principal financial assets with exposure to credit risk are cash and trade debtors. The credit risk associated with cash is limited as counterparties have high credit ratings assigned by international credit rating agencies. Trade debtors presented in the balance sheet are presented net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. New suppliers and credit customers are subject to approval and credit reports from reputable credit reference agencies are used to aid decision making prior to credit being offered or funds being advanced.

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

4. Interest Rate Risk
During the financial period the Group was exposed to interest rate risk through the Revolving Credit Facility which is priced as SONIA plus a fixed margin. The Group has not looked to mitigate this risk with interest rate swaps due to the expected revolving nature of the exposure. The Group is not exposed to interest rate risk on the convertible term loan as interest accrues at fixed rate of 10%.

5. Market Price Risk
The Group is exposed to market price risk in relation to wholesale market pricing for electricity. Changes in the future projections of wholesale pricing affect the project economics of the development portfolio and therefore the value of the pipeline, as well as demand for EPC and O&M services. The wholesale market pricing for electricity and pricing of ancillary services also impact the returns available from Optimisation contracts.

6. Brexit
Whilst Brexit has added complexity to importing of materials from the EU, this is primarily limited to administrative matters. The ability of the Group to expand into adjacent European markets where opportunities have been identified has

not been significantly impaired, as evidenced by expansion of the Group in the Netherlands, Denmark and Germany.

7. ECO Scheme Audits
As the Group commences delivery on the ECO 4 scheme, there is a risk that rejections of submitted measures may have a material impact on reported results. This risk will be mitigated through enhanced internal processes to reduce the risk of invalid measures being processed and the overall quantum of the risk is expected to be lower under ECO 4 because additional independent review of work completed with sign off will be included in the submission and the DESNZ audits are expected to take place at more regular intervals. As a result, the Group will be able to act more quickly to cease trading with installers picked up in the audit processes and are more likely to be able to recover the costs incurred for rejected measures. The Group holds a provision of 5% of the value of all submitted measures until the end of the scheme.

FUTURE DEVELOPMENTS

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

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

During the period, the Company delivered top tier market returns through its optimisation capabilities for the battery storage sites under management through the asset optimisation service. The Company is actively seeking opportunities to broaden the portfolio of assets under management with both the current customers and wider assets owners in the UK as well as assessing our other markets in Europe.

The Company has transitioned into the ECO 4 scheme for delivery of qualifying measures to utility companies, having signed a number of contracts for delivery over calendar year 2023. The government has committed to the ECO scheme until at least 2030 as this scheme will play a major part in the transition to net zero.

The development of the Company's pipeline focuses on finding and developing new sites and as such, we have a high quality, long-term project pipeline which will be key to ensuring the continued success of the Company. This includes building a diversified development pipeline across the UK, the Netherlands, Denmark and Germany.

GOING CONCERN

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

Detailed cash flow forecasts which are based on the financial forecasts, are also prepared by the Company and are included in forecasts prepared for the group headed by Quanesco Topco Limited and subject to weekly review by a sub-group of the Directors of Quanesco Topco Limited. During the financial year the Directors of Quanesco Topco Limited considered these cash flow forecasts against the backdrop of rising inflation, foreign exchange exposure, potential for cost saving initiatives, governmental exposure, operational challenges and the other principal risks detailed in this report. Key to the delivery of these forecasts are the milestone achievements on EPC projects and timing of the development sales and related cash flow. Cash flow forecasts for 12 month period from the date of issuing this report show that the Group is expected to operate within available cash resources.

Subsequent to the year end, Quanesco Topco Limited drew down an additional working capital loan from its shareholders through a convertible loan of £20m. Quanesco Topco Limited subsequently provided an 11-month term intercompany loan via other subsidiaries within the group to the Company of £20m. From this loan £5m was utilised to settle the outstanding Revolving Credit Facility with Santander (in addition to the £4m already settled by the Company out of its own cash reserves subsequent to the year-end) and the remaining £15m will be used to support the business in its delivery of the current EPC projects and with a view to delivering on the future growth plans of the business. As a result, the company is no longer required to comply with the associated covenants of the RCF. The new intercompany loan will be serviced from the trading cash flows of the Company and the directors do not consider there to be any likelihood of the loan impacting the company's ability to continue as a going concern.

Based on the information provided to the Directors of the Company, including the financial forecasts and detailed cash flow forecasts and the repayment of external loans after the financial year end, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and as such consider the Company to be a going concern.

GOVERNANCE

Corporate governance

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

The Board of Directors

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

Between them, the Directors have many years of experience in the Company's principal activities and in the utilities and energy sectors generally as well as in the corporate finance arena. The Board of Quanesco Topco Limited meets at least 11 times each year, and procedures are put in place whereby non-executive Directors can seek independent professional advice in the furtherance of their duties. The board confirms any conflicts of interest at each board meeting to ensure they are managed appropriately. The Board of Quanesco Topco Limited has implemented a format and timetable for the provision of financial and other information to Board members and senior executives to ensure the timeliness and quality of that information and to ensure that Directors and senior management are properly briefed.

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

During the year, the Quanesco Topco Limited Board reviewed and approved the financial forecasts which cover a period

of six quarters after the end of this financial period. These financial forecasts are based on the direction of the board with regards to the long-term strategy of the business. The Directors make decisions with reference to the longer-term prospects of the Group in mind, for example the board receives regular updates on development prospects and approves the investment of funds into the project pipeline for the coming financial year as part of the budgeting process. This approach to decision making is consistent with the duty in s172(1)(a) of the Companies Act 2006.
During the year the Directors continued a programme of quarterly briefings for the entire employee base covering the business performance, strategy, latest initiatives and regulatory updates. The employees were encouraged to ask questions during the sessions and to share their thoughts about the business and its strategies for future development. Subsequent to the year end, the Group held its first "Connectors Day" where the broader leadership took part in workshops, training and discussions on the strategic direction and priorities of the business. The CEO takes account of feedback from across the business in decision making. Directors meet regularly with members of the senior leadership team and support the annual talent review. The Board involvement in ensuring that employee's interests are considered in their decision making is aligned to the duty in s172(1)(b) of the Companies Act 2006.

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

The Company is committed to accelerating the transition to a low carbon future as defined in the mission statement which is endorsed and supported by the Board. The non-executive Directors on the board of Quanesco Topco Limited represent Ara, a global private equity firm focussed on decarbonizing the building blocks of the economy in immediate and tangible ways, which closely aligns to the Group's mission statement. The Directors are involved in key strategic decisions which impact on the delivery of this mission and the consequential impact on the environment. The Streamlined Energy and Carbon Reporting regulations (SECR) section of this report provides details on the amount of green energy generated from our managed assets. The Board receive regular reports from the Head of Health, Safety and the Environment during Board meetings to ensure that they are aware of, and can respond to, any direct or indirect negative impacts on the environment or community. The support and direction provided by the Board on these matters indicates the priority which the board gives to the requirements of s172(1)(d) of the Companies Act 2006.

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

Since the commencement of the period of ownership by the group headed by Quanesco Topco Limited, the Directors of the Company were also members of the Quanesco Topco Limited Board, which allowed the non-executive Directors to provide insights on the views and priorities of the ultimate beneficial owners of the Company as they are employed within the ownership group. The executive Directors as holders of B Ordinary shares and M Ordinary shares in Quanesco Topco Limited and therefore have a minority stake in the Company. As such they are able to effectively represent the remainder of the management group who have indirect ownership of the Company through Quanesco Topco Limited. The structure of the Board enabled the Directors to comply with the duty to act fairly between members of the Company, as required by s172(1)(f) of the Companies Act 2006.

Board Committees

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

Audit Committee: The primary responsibilities of the Audit Committee are to review the financial statements of the Group and parent company, to consider the appointment of external auditors, their effectiveness and independence and to review risk management and internal controls. This Committee is chaired by Luis Correia, a non-executive Director of Quanesco Topco Limited. The Audit Committee meets at least annually.

Remuneration Committee: The Remuneration Committee is charged with the development and application of a formal and transparent policy for the appointment and remuneration for executive Directors, for remuneration policy for all staff, and for succession planning. Remuneration policy is set through regular benchmarking of each position within the Group against the wider market. This Committee is chaired by Luis Correia, a non-executive Director of Quanesco Topco Limited. The Remuneration Committee meets at least annually.

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

ENVIRONMENTAL POLICY

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

Environmental objectives and targets are developed by the business operational leaders as part of the annual review process and objectives across all elements of Environmental, Social and Governance, which is revised annually and approved by the CEO and submitted to Ara.

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

Anesco is committed to:

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

- Documenting and communicating this policy, making it available to all staff, ensuring it is understood and implemented, and is available to our interested parties.

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

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

The methodology used to calculate the Company's emissions is based in the "Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance March 2019 (updated introduction and chapters 1 & 2)". Mandatory Greenhouse Gas Reporting disclosure calculations are based upon the reporting period of 1 April 2022 to 31 March 2023. This greenhouse gas reporting period is consistent with the financial reporting year of Quanesco Topco Limited.

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

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

Building energy use and business car travel data are considered the relevant greenhouse gas emissions for which the Company is responsible. Anesco's building emissions comprise total mains electricity consumed and an emissions conversion factor has been applied in line with the Department for Business, Energy & Industrial Strategy (BEIS) guidance.

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

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

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

Anesco has taken actions to create energy savings through efficiencies through the following areas. All vehicles are now part of the vehicle tracking system to enable Anesco to determine the number of miles travelled by each vehicle and to help reduce the number of emissions released. Various educational and awareness campaigns were held with employees to reduce the amount of emissions generated. The increase in GHG emissions compared to the comparative year, reflects the increase in the scope and scale of the Company's operations, particularly the increase in employee numbers. This is demonstrated through the intensity ratio of tonnes of carbon dioxide equivalent per employee (based on the average number of employees for each year, as disclosed in the accompanying financial statements) which is consistent year-on-year.

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

2023			
	Activities for which the company is responsible involving gas combustion, or fuel consumption for transport purposes:	Energy consumed resulting from buying electricity for own use, including for the purpose of transport:	Total
Annual GHG emissions (in tonnes of carbon dioxide equivalent) within the UK and offshore area:	800 tonnes CO2	39 tonnes CO2	839 tonnes CO2
Annual energy consumption (in kWh), within the UK and offshore area	930,202 kWh	44,886 kWh	975,089 kWh
Intensity ratio (of tonnes of carbon dioxide equivalent per employee)			3.2

2022			
	Activities for which the company is responsible involving gas combustion, or fuel consumption for transport purposes:	Energy consumed resulting from buying electricity for own use, including for the purpose of transport:	Total
Annual GHG emissions (in tonnes of carbon dioxide equivalent) within the UK and offshore area:	553 tonnes CO2	53 tonnes CO2	606 tonnes CO2
Annual energy consumption (in kWh), within the UK and offshore area	642,929 kWh	61,095 kWh	704,024 kWh
Intensity ratio (of tonnes of carbon dioxide equivalent per employee)			3.2

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

Net renewable energy contributed by:	Year to 31 March 2023
Assets under management by the Group	1.4 GW
Annual Bill Savings processed under the OFGEM ECO4 scheme	276,000 Annual Bill Savings
Grid scale solar PV constructed during the year	83 MW

OTHER SIGNIFICANT POLICIES

Social Policy

It is the policy of the Company to give full and fair consideration to applications for employment irrespective of age, gender or disability, and to continue wherever possible the employment of members of staff who may become disabled and to ensure that suitable training, career development and promotion is afforded to such persons. The Company encourages the training of all members of staff, and organises regular training courses specific to an individual's area of expertise and career development, as well as training related to a specific concern such as health and safety and environmental education.

The Company has made available third-party resources to support wellness, mental health and particularly to assist employees with the ongoing impacts of the COVID-19 pandemic and related changes in work life. Office attendance policies have been amended and home working facilitated, where the business needs can accommodate, to maximise the safety and well-being of all employees.

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

Anti-Bribery and Corruption policy

As part of the Company's commitment to preventing bribery and establishing a culture that does not tolerate corruption wherever and in whatever form it may be encountered, an updated anti-corruption policy was approved by the Board in 2019 and updated in June 2022 and appropriate procedures put in place to ensure compliance with current legislation and the Company's policy and related procedures. In addition, human rights policies are regularly reviewed by the Company.

Anti-Slavery and Human Trafficking policy

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

Supplier payment policy

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

STAKEHOLDER RELATIONSHIPS

Shareholders

The Directors of the Company are also the Directors of the immediate parent company and therefore the interests of the shareholder is represented on the board of Directors.

Subcontractors and suppliers

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

People

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

Information is provided regularly by means of email, group collaboration tools, the intranet, individual committee groups and face to face meetings. The HR Director has provided regular updates on employee related matters and has implemented an employee wellbeing strategy as well as platform for all things employee, wellbeing and benefits related, this also extends to tools supporting personal financial savings. During 2023 a comprehensive communications strategy has been launched focussing on employees and their integration, learning and representation within the business. Briefings with employees take place regularly and employees are made aware of their contribution to the Company through individual development plans.

Applications for employment of disabled persons are always fully considered. In the event of members of staff becoming disabled during employment, every effort is made to ensure that their employment with the Company continues and that adjustments are arranged if relevant. It is the policy of the Company that training, career development and promotion of a disabled person will be measured in the same way as for non-disabled employees.

This report was approved by the board on 25th October 2023 and signed on its behalf by:

DocuSigned by:

Mark Browning

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Mark Browning
Chief Financial Officer

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the financial statements for the year ended 31 March 2023. Financial risk management, employee consultation and future developments have all been included within the Strategic Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £23,941k (2022: £4,908k). The Directors do not recommend the payment of a dividend (2022: £nil).

DIRECTORS

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

Mark Futyan *(Resigned 15 March 2023)*
Mark Browning
Hildagarde McCarville *(Appointed 4 January 2023)*

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

POLITICAL AND CHARITABLE CONTRIBUTIONS

There were no political donations during the year (2021: £nil). Charitable donations were made totalling £1,950 (2021 £5,485).

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

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

During the period the Company has continued to develop the proprietary trading algorithms to enable the optimisation of energy storage assets in new ancillary markets.

The Company developed and implemented a bespoke application for the management of the ECO4 scheme delivery which streamlines the processing of energy efficiency measure credits.

DISCLOSURE OF INFORMATION TO AUDITOR
Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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

This report was approved by the board on 25th October 2023 and signed on its behalf by:

DocuSigned by:
Mark Browning
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Mark Browning
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANESCO LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

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

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

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 29.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

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

- Cut-off of EPC revenue recognition: We presume a risk of material misstatement due to fraud related to revenue recognition and evaluate which types of revenue, revenue transactions or assertions give rise to such risks. We isolated the risk of fraud to the cut-off of EPC revenue for ongoing projects at the year end. This is due to the judgement exercised on measuring the cost incurred as at 31 March against the expected cost to complete, which drives the % of revenue recognised on a project in a financial year. We tested the design and implementation of controls related to EPC revenue cut-off. We have tested and assessed the validity of projects costs incurred during the year, agreed ongoing projects to valid signed contracts, held inquiries with the project managers to understand the status of the projects, assessed expected costs to complete the projects and recalculated revenue recognised during the year using the cost to complete approach.

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 and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

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

DocuSigned by:

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Helen Wildman ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

25th October 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

REGISTERED NUMBER: 07443091

	Notes	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
Revenue	3	94,619	75,085
Cost of sales		(98,374)	(63,220)
GROSS (LOSS)/PROFIT		(3,755)	11,865
Administrative expenses		(17,533)	(16,301)
OPERATING (LOSS)/PROFIT	4	(21,288)	(4,436)
Profit / (Loss) on Disposal		(77)	(20)
Loss on Fair value of short term financial instruments		(919)	-
Interest receivable and similar income	8	-	1
Interest payable and similar expenses	9	(1,539)	(764)
LOSS BEFORE TAXATION		(23,823)	(5,219)
Tax charge on profit/loss	10	(118)	311
LOSS FOR THE YEAR		(23,941)	(4,908)
Other comprehensive income		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(23,941)	(4,908)

All items relate to continuing operations.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023
REGISTERED NUMBER: 07443091

	Notes		31 March 2023		Restated 31 March 2022
			£'000		£'000
FIXED ASSETS					
Intangible assets	11		1,873		2,146
Tangible assets	12		770		721
Investment in subsidiaries	27		38		-
			2,681		2,867
Debtors: amounts falling due after one year	15		1,690		-
CURRENT ASSETS					
Inventory	13	14,162		8,092	
Debtors: amounts due within one year	14	56,140		28,490	
Cash and cash equivalents	16	3,543		6,649	
		73,845		43,231	
CURRENT LIABILITIES					
Creditors: amount due within one year	17	(43,330)		(17,251)	
Short term financial instruments	18	(919)		-	
Loans payable	18	(26,108)		(5,028)	
NET CURRENT (LIABILITIES) / ASSETS			3,488		20,952
Total assets less current liabilities			**7,859**		**23,819**
PROVISIONS FOR LIABILITIES					
Provisions	19		(12,741)		(4,712)
Deferred taxation	20		-		(49)
NET ASSETS			**(4,882)**		**19,058**
Capital and reserves					
Called up share capital	21		6,000		6,000
Share premium account	22		1,933		1,933
Profit and loss account	23		(12,815)		11,125
Total equity			**(4,882)**		**19,058**

The financial statements of Anesco Limited (registered number: 07443091) were approved by the Board of Directors and authorised for issue on 25th October 2023. They were signed on its behalf by:

DocuSigned by:
Mark Browning
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Mark Browning
Director

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

REGISTERED NUMBER: 07443091

	Called up share capital £' 000	Share premium account £' 000	*Profit and loss account* £'000	*Total equity* £'000
At 1 April 2021	6,000	1,933	16,032	**23,965**
Total comprehensive loss for the period	-	-	(4,907)	**(4,907)**
At 31 March 2022	6,000	1,933	11,125	**19,058**
Total comprehensive loss for the period	-	-	(23,941)	**(23,941)**
At 31 March 2023	6,000	1,933	(12,815)	**(4,882)**

1. ACCOUNTING POLICIES

1.1 General information and basis of accounting

Anesco Limited (the Company) is a private Company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on the Company Information page and is the same as the parent company preparing group accounts. The principal activities of the Company is set out in the Strategic Report on page 1. The functional currency of Anesco Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The statutory financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard (FRS) 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Anesco Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

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

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

The following principal accounting policies have been applied:

1.2 Going concern

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

Detailed cash flow forecasts which are based on the financial forecasts, are also prepared by the Company and are included in forecasts prepared for the group headed by Quanesco Topco Limited and subject to weekly review by the Directors of Quanesco Topco Limited. During the financial year the Directors of Quanesco Topco Limited considered these cash flow forecasts against the backdrop of rising inflation, foreign exchange exposure, potential for cost saving initiatives, governmental exposure, operational challenges and the other principal risks detailed in this report. Key to the delivery of these forecasts are the milestone achievements on EPC projects and timing of the development sales and related cash flow. Cash flow forecasts for 12 month period from the date of issuing this report show that the Group is expected to operate within available cash resources.

1 ACCOUNTING POLICIES (continued)

1.2 Going concern (continued)

Subsequent to the year end the Group drew down an additional working capital loan from its shareholders through a convertible loan of £20m. The Company subsequently has taken additional intercompany loan of this £20m from its intermediate parent company bringing the injection of capital to the trading entity. From this loan £5m was utilised to settle the outstanding Revolving Credit Facility with Santander and the remaining £15m will be used to support the business in its delivery of the current EPC projects and with a view to delivering on the future growth plans of the business. As a result, the company is no longer required to comply with the associated covenants of the RCF. The new intercompany loan will be serviced from the trading cash flows of the Company and the directors do not consider there to be any likelihood of the loan impacting the company's ability to continue as a going concern.

Based on the information provided to the Directors of the Company, including the financial forecasts and detailed cash flow forecasts and the repayment of external loans after the financial year end, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and as such consider the Company to be a going concern.

1.3 Other income

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

1.4 Revenue

Revenue is the fair value of consideration received or receivable between knowledgeable, willing parties in an arm's length transaction.

Revenue from the Sale of Goods

Revenue is recognised when the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the assets sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Development

The Company develops sites for grid scale solar PV and BESS installations through obtaining all the required licenses, permits, leases and agreements to provide a site that is ready to build on. Anesco Limited, a subsidiary of the Company, transfers the rights to another subsidiary of the Company which has been incorporated for this specific purpose ("SPV") and the SPV is sold to a third-party investor via a Sale and Purchase Agreement ("SPA"). The Company earns revenue from the transfer of the development rights to the SPV and from the sale of the SPV.

Revenue is measured based on the prices defined in the SPA. Significant risks and rewards of ownership are transferred once the pre-completion conditions of the SPA have been met. Costs related to the revenue transaction are based on invoices received or estimates from similar development projects when invoices have not yet been received.

1. ACCOUNTING POLICIES (continued)

1.4 Revenue (continued)

ECO

The Company acts as managing agent under OFGEM's ECO scheme and acquires qualifying measures from a network of installers which are sold to utility companies who have obligations to purchase qualifying measures under the scheme. The Company has contracts with utility companies for the delivery of qualifying measures. The Company earns revenue from the sale of these measures.

Revenue is measured based on the price agreed with the utility customer as defined in the contract or associated agreements. Significant risks and rewards of ownership are transferred on submission of qualifying measures submitted to a utility customer. Historical experience is used to estimate rejections of submitted measures and revenue is not recognised for the portion of submitted measures which are at risk of rejection.

Revenue *from* Construction Contracts

EPC

The Company enters into contracts specifically negotiated for the construction of a grid scale solar PV or BESS installation or a hybrid of both. The contracts are for a single asset or a number of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use. For contract revenues to be recognised, a buyer must be identified, be of independent economic substance and committed to complete the purchase of the project under construction such that the risks and rewards associated with the sale have passed to the Buyer.

When the outcome of a construction contract can be estimated reliably, the Company recognises contract revenue and contract costs associated with the construction contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period.

Stage of completion of the contract is determined by the percentage of the build completed.

Revenue from the rendering of Services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract or the pattern of service delivered under the contract when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

O&M

The Company provides Operations and Maintenance services for grid scale solar PV and BESS installations and for domestic rooftop solar PV installations. Services are provided under multi-year contracts with owners of the assets and comprise agreed annual recurring services and also one-off repairs, maintenance and enhancement of assets in addition to the recurring services.

The revenue for annual recurring services is recognised based on the pattern of service delivery by evenly recognising revenue over the contract year. The revenue for one-off services is recognised by reference to the stage of completion of the contract activity at the end of the reporting period.

1. ACCOUNTING POLICIES (continued)

1.4 Revenue (continued)

Optimisation

The Company provides optimisation services to BESS asset owners through managing the full use of the asset through remote control. Services are provided under rolling contracts with owners of the assets. The revenue for these services is recognised based on the pattern of service delivery by evenly recognising revenue over the period of the contract.

1.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Company's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis over its useful economic life of ten years. Goodwill is reviewed for impairment annually by the Directors, along with the term of the estimated useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life and are amortised over a straight-line basis. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 10 years.

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

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

1.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight-line basis. Depreciation is provided on the following basis:

Long-term leasehold property	-	10 years
Plant and machinery	-	3 years
Fixtures and fittings	-	10 years
Computer equipment	-	3-10 years

1. ACCOUNTING POLICIES (continued)

1.6 Tangible fixed assets (continued)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss account.

1.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the period to the first market rent review rather than the term of the lease. FRS 102 was adopted for the period commencing 1 April 2015.

1.8 Inventory and work in progress

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

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

1.9 Debtors

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments (continued)

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

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

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

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

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

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

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

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

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

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

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

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

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments (continued)

(iv) Fair value measurement

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

(v) Hedge accounting

The Company does not apply hedge accounting.

(vi) Investments in equity instruments

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

1.12 Creditors

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

1.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.14 Interest income

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

1.15 Borrowing costs

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

1. ACCOUNTING POLICIES (continued)

1.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

1.17 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- *any deferred tax balances are reversed if and when all conditions for retaining associated tax* allowances have been met; and
- where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.18 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

1. ACCOUNTING POLICIES (continued)

1.18 Research and development (continued)

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

1.19 Foreign currency

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

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

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

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

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

Provisions for liabilities
When evaluating the impact of potential liabilities arising from claims against the Company, the Directors use their knowledge and experience and where necessary, take legal advice to assist them in arriving at their estimation of the liability taking into account the probability of the success of any claims and also the likely development of claims based on recent trends.

Key sources of estimation uncertainty

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

3. REVENUE

	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
ECO	10,267	37,447
EPC	63,322	19,204
Development	1,848	3,804
O&M	18,971	14,395
Optimisation	204	154
Services	7	81
	94,619	**75,085**

All revenue arose in the United Kingdom of which £12.1m (2022: £41.3m) was from the sale of goods, the balance being from rendering of services. Contract revenue recognised in the year was £82,5m (2022: £33.6m).

4. OPERATING (LOSS) / PROFIT

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

	Year to 31 March 2023 £'000	Year to 31 March 2022 £' 000
Hire of plant and machinery - operating leases	926	536
Hire of property - operating leases	381	308
Depreciation of tangible fixed assets (note 12)	352	273
Amortisation of intangible assets, including goodwill (note 11)	578	496
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts (note 5)	240	180
Exchange differences	97	448
Inventory impairment	-	65
Impairment of intergroup receivables	-	-
Loss on fair value movement of investments in financial instruments	919	-
Loss on fair value movement of investments in equity instruments	-	53
Defined contribution pension cost (note 24)	280	163

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

5. AUDITOR'S REMUNERATION

	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	240	180
Total audit fees	**240**	**180**
Fees payable to the Company's auditor and its associates for other services to the Company:		
Taxation compliance services	111	100
Other taxation advisory services	21	17
All other services	-	147
Total non-audit fees	**132**	**264**

6. EMPLOYEES

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

	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
Wages and salaries	13,848	8,749
Social security costs	1,217	766
Cost of defined contribution pension scheme	280	163
	15,345	9,678

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

	Year to 31 March 2023 No.	Year to 31 March 2022 No.
Operations	206	160
Support	37	30
Directors	2	2
	245	192

7. DIRECTORS' REMUNERATION

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

DIRECTORS' RENUMERATION	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
Directors' emoluments	572	663
Sums paid to third parties in respect of Directors' services	-	-
Social security and other contributions	80	47
	652	710

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

The remuneration disclosed is the total remuneration received by the Directors during the year ended 31 March 2023 for services provided to the group headed by Quanesco Topco Limited. The remuneration received was paid by Quanesco Bidco Limited for the period to 31 March 2023, after the employment contracts of the directors were transferred to this new parent company.

The highest paid Director received remuneration of £284,456 during the year (2022: £443,439). The highest paid Director is not a member of the Company defined contribution pension scheme.

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

8. INTEREST RECEIVABLES AND SIMILAR INCOME

	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
Interest receivable	-	1

The interest receivable is from a supplier.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
Interest on revolving credit facility	629	348
Interest payable in relation to loans with equity holders	910	416
Total interest payable	1,539	764

10. TAXATION

TAXATION	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
Current tax		
UK corporation tax on profits for the period/year	-	-
Adjustment in respect of previous periods	168	(243)
Total current tax	-	(243)
Deferred tax (note 20)		
Origination and reversal of timing differences	-	(125)
Adjustment in respect of previous periods	(50)	45
Changes to tax rates	-	12
Total deferred tax	(50)	(68)
Tax credit / (charge) on loss	**118**	**(311)**

Factors affecting tax charge for the year
The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 19%. The calculation is below:

	Year to 31 March 2023 £' 000	Year to 31 March 2022 £' 000
Loss before tax	(23,823)	(5,219)
Loss multiplied by standard rate of corporation tax in the UK of 19.00% (2022 19%)	(4,527)	(992)
EFFECTS OF:		
Fixed asset difference	15	-
Expenses not deductible for tax purposes	442	625
(Expense)/Income not taxable	(2)	(25)
Adjustments from previous periods	118	(197)
Deferred tax not provided	5,014	357
Transfer pricing adjustments	-	(226)
Tax rate changes	-	12
Current tax (charged)/credited directly to equity	14	-
RDEC claim over/under provided	(11)	-
CT interest receivable	(3)	-
Remeasurement of deferred tax for changes in tax rates	(1,188)	-
Amortisation on intangible assets	-	-
Gains/ Rollover relief	-	5
Group relief /Other reliefs	-	130
Total tax credit / (charge) for the period	**(127)**	**(311)**

10. TAXATION (continued)

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

11. INTANGIBLE ASSETS

	Anesco Meter £' 000	Development costs £' 000	Purchased Goodwill £' 000	**Total £' 000**
Cost or valuation				
As at 1 April 2022	1,949	2,723	527	**5,198**
Additions	-	392	-	**392**
Disposals	-	(151)	-	**(151)**
At 31 March 2023	1,949	2,964	527	**5,440**
Amortisation				
As at 1 April 2022	(1,493)	(1,032)	(527)	(3,052)
Charge for the period	(134)	(447)	-	(580)
Disposals	-	66	-	66
At 31 March 2023	(1,627)	(1,413)	(527)	(3,567)
Net book value				
At 31 March 2023	**322**	**1,553**	-	**1,873**
At 31 March 2022	**455**	**1,691**	-	**2,146**

The useful economic lives of the components of the Anescometer asset are up to 10 years. Included within Development costs is the O&M workflow asset which has a carrying value of £0.6m and a remaining amortisation period of 8 years.

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

Included in Development costs is £0.4m of internally developed software solutions and technology assets under construction, which is not yet being depreciated.

12. TANGIBLE FIXED ASSETS

	Plant and machinery £' 000	Long term leasehold property £' 000	Computer equipment £' 000	Fixtures and fittings £' 000	**Total £' 000**
Cost or valuation					
As at 1 April 2022	271	600	1,765	371	**3,007**
Additions	50	95	238	37	**420**
Disposals	-	-	(13)	(46)	**(59)**
At 31 March 2023	321	695	1,990	362	**3,368**
Depreciation					
As at 1 April 2022	(137)	(443)	(1,446)	(260)	**(2,286)**
Charge for the period	(97)	(65)	(158)	(32)	(352)
Disposals	-	-	8	32	40
At 31 March 2023	(234)	(508)	(1,596)	(260)	**(2,598)**
Net book value					
At 31 March 2023	**87**	**187**	**394**	**102**	**770**
At 31 March 2022	**135**	**158**	**320**	**111**	**724**

13. INVENTORY

	2023 £'000	**2022 £' 000**
Raw materials and consumables	2,180	944
Work in progress	11,982	7,148
	14,162	8,092

During the year an impairment loss of £Nil was recorded on raw materials and consumables (2022: £65k).

NOTES TO THE STATUTORY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023
REGISTERED NUMBER: 07443091

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £' 000	2022 £' 000
Trade debtors	13,632	8,225
Amounts owed by group undertakings	26,708	9,394
Other debtors	131	805
Corporation tax asset	139	243
Prepayments and accrued income	15,513	9,806
Investment in subsidiaries	17	17
	56,140	28,490

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

15. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023 £' 000	2022 £' 000
Amounts owed by group undertakings	1,690	-

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

16. CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £' 000
Cash at bank and in hand	3,543	6,649

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £' 000	Restated 2022 £'000
Trade Creditors	1,730	5,074
Amounts owed to group undertakings	19,425	1,015
Taxation and social security	24	270
Other Creditors	9,646	5,873
Accruals and deferred income	12,505	5,018
	43,330	**17,521**

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

The prior year comparative figure for other creditors is restated by a £4,173k adjustment to reclassify a provision for expected economic outflows related to the ECO 3 scheme closure to provisions (see note 19).

18. FINANCIAL INSTRUMENTS

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

	2023 £' 000	2022 £' 000
Loan from shareholders principal	16,641	-
Revolving credit facility drawn down	9,000	5,000
Deferred finance costs	(90)	(132)
Total loans	25,551	4,868
Accrued interest	467	28
Loan principal	25,641	5,000
Total loan outstanding	26,108	5,028

	2023 £'000	2022 £'000
FINANCIAL ASSETS		
Financial assets measured at amortised cost:		
Cash and cash equivalents	3,543	6,649
Trade debtors	13,632	8,225
	17,175	14,874
Financial assets measured at fair value through profit or loss:		
Financial Assets	17,175	14,874
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost:		
Trade creditors	1,730	5,074
Loans and deferred finance costs	25,551	4,868
	27,281	9,942
Financial liabilities measured at fair value through profit or loss:		
Foreign currency forward contracts	919	-
Financial Liabilities	28,200	9,942

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

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 31 March 2023, the outstanding contracts all mature within 6 months of the year end. The Company is committed to buy US$34.4m and pay a fixed sterling amount. There were no open foreign currency contracts at the end of the comparative period.

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:USD.

19. PROVISIONS

	2023	Restated 2022
	£'000	£'000
At 1 April 2022	4,712	608
Charged / (credited) to profit and loss account	8,029	4,104
At 31 March 2023	12,741	4,712

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

The prior year comparative figure is restated by a £4,173k adjustment to reclassify a provision for expected economic outflows related to the ECO 3 scheme closure from other creditors (see note 17).

20. DEFERRED TAX

	2023	2022
	£' 000	£' 000
Provision at start of period	49	118
Adjustment in respect of prior years	-	45
Deferred tax charge to income statement for the year	(49)	(114)
Provision at end of year	-	49

	2023	2022
	£'000	£'000
Fixed asset timing differences	79	202
Short-term timing differences	(48)	-
Losses	(31)	(152)
R&D expenditure credit	-	(1)
Tax losses carried forward	-	49

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

21. SHARE CAPITAL

	2023 £'000	2022 £'000
Shares classified as equity		
Authorised, allotted, called up and fully paid		
20,187 (2021: 20,187) ordinary shares of £0.01 each	-	-
83,199 (2021: 83,199) A ordinary shares of £0.01 each	1,933	1,933
5,999,200 (2021: 5,999,200) preference shares of £1 each	6,000	6,000
	7,933	7,933

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

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

22. SHARE PREMIUM

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

23. PROFIT AND LOSS

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

24. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge in the period amounted to £280k (2022: £163k).

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

25. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2023 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£' 000	£' 000
Not later than 1 year	705	336
Later than 1 year and not later than 5 years	1,650	664
Later than 5 years	-	-
	2,355	1,000

26. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption conferred by the Financial Reporting Standard 102 "Related party disclosures" not to disclose transactions with members of the group headed by Quanesco Topco Limited on the grounds that 100% of the voting rights in the group are controlled within that group and the Company is included in the consolidated financial statements.

During the period ended 31 March 2023, the Company undertook the following transactions with related parties:

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

Other transactions with related parties comprise remuneration of directors (as disclosed in note 7) and the signing of a new loan agreement with a parent company post balance sheet date (see subsequent events disclosure in note 29). Key management for the Company are deemed to be the CEO and CFO who are also directors and therefore their remuneration is already disclosed in note 7.

27. INVESTMENT IN SUBSIDIARIES

	2023	2022
	£' 000	£' 000
Cost and carrying value		
At 1 April 2022 and 31 March 2023	55	17

Of the investments held at 31 March 2023, £38k are deemed to be non-current and the remainder are shown within debtors amounts due within a year (Note 14).

All subsidiaries of Anesco Limited as at 31 March 2023 have the registered office at The Green, Easter Park, Benyon Road, RG7 2PQ with the exception of Anesco B.V which is registered in the Netherlands B.V with registered office at Hofplein 20, 3032 AC Rotterdam.

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27. INVESTMENT IN SUBSIDIARIES (continued)

Subsidiary Undertakings	Registration Number	Effective Holding	%	Principal Activity
Sampshill Solar Limited	13732552	Ordinary Shares	100%	SPV
Woodwalton Solar Limited	13736021	Ordinary Shares	100%	SPV
High Meadow 2 Solar Limited	13737364	Ordinary Shares	100%	SPV
Anesco Nederland B.V.	Netherlands	Ordinary Shares	100%	Trading Company
Iddenshall Solar Limited	13933318	Ordinary Shares	100%	SPV
Chapel Lane Energy Storage Limited	13933410	Ordinary Shares	100%	SPV
Gayton Solar Limited	14070772	Ordinary Shares	None	SPV
Winterton Solar Limited	14070884	Ordinary Shares	None	SPV
St Asaph Solar Limited	14113150	Ordinary Shares	None	SPV
Willington (New Land) Solar Limited	14113197	Ordinary Shares	None	SPV
Rothienorman Energy Storage Limited	14315680	Ordinary Shares	None	SPV
Anesco Deutschland GmbH	Germany -	Ordinary Shares	None	Trading Company
Aeos Services GmbH	Germany -	Ordinary Shares	None	Trading Company

28. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

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

The largest group in which the results of the company are consolidated is that headed by Quanesco Topco Limited, a company incorporated in England and Wales. The consolidated accounts are available to the public and may be obtained from The Secretary, Quanesco Topco Limited, The Green, Easter Park, Benyon Road, Reading, Berkshire RG7 2PQ.

29. POST BALANCE SHEET EVENTS

In June 2023 the Company repaid £4m of the outstanding balance on the Revolving Credit Facility with Santander. In July 2023 the Company received an additional shareholder loan from an intermediate parent company, Quanesco Bidco Limited, of £20m. The loan falls due 11 months from issue. Interest accrues at 10% with quarterly roll-up of interest into the capital amount. In July 2023, the Company used the additional loan to settle the remaining outstanding balance on Revolving Credit Facility with Santander and has closed the facility and as a result Anesco Limited is no longer required to comply with the associated covenants.