2024

Solar Growth Limited

Annual Report and consolidated financial statements for the year ended 31st March 2024

Solar Growth

Contents

Directors
Andrew Webster
Christopher Carlson
Paul Beynon
Samuel Gompels

Registered office
Level 4, LDN:W
3 Noble Street
London
EC2V 7EE

Registered number
08475070

Independent auditors
Lubbock Fine Chartered Accountants
& Statutory Auditors
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Solar Growth Limited - Strategic Report

Business Review

We are pleased to present the annual report for the year ended 31st March 2024 for Solar Growth Limited ("the Group" or "the Company").

The Group delivered revenues of £6.3m (2023:£6.3m) and underlying profits of £4.5m (2023:£4.6m)*, whilst generating c. 34,400 megawatt hours ("MWh") of electricity, enough to provide renewable energy to c. 11,900 homes.** The Group delivered this through its trading activities in solar photovoltaic ("PV") generation plants which are located across the UK (see map on page 5) and have a successful track record accumulated over 8 years of operations.

The Group's electricity price hedging strategy allowed the Group to lock-in high electricity prices in previous years for a significant portion of its electricity generation during the year. This delivered strong revenues even as electricity prices moderated from their historic highs.

Inflation also eased during the year, which allowed the Group to recognise significantly less interest expenditure due to indexation charges on the portion of the Group's debt linked to the retail price index ("RPI"). Therefore, the Group made a profit after interest and tax for the financial year of £1.4m (2023: £98k) Over half of the Group's revenue streams are RPI linked UK government mandated payments and the rest are implicitly linked to RPI through energy prices. This allows the Group to benefit from both explicit and implicit hedges against future rises in inflation

Clean electricity

Solar-powered electricity generation represents a resilient asset class: long-term demand for electricity in the UK is relatively stable, and should grow as the UK continues to de-carbonise its economy. Solar PV technology provides a reliable and predictable supply of electricity, backed by well-understood and low-risk technology. Driven by Government policy to de-carbonise the power generation sector as part of its net zero by 2050 emissions policy, we expect to see demand increase for 'clean' electricity. The growth in demand for such energy is expected to result in attractive electricity prices available to solar PV asset owners, such as Solar Growth.

Electricity markets tend to be national rather than international in nature: each country sets its own legal framework for governing the markets and incentivises different fuel sources. Our strategy focuses solely on the UK. This complements our strong knowledge of UK markets, our UK track record, and also removes any currency risks between our income, costs and share price.

It is imperative to the Company that its trading activities are fully aligned to both UK government policy on reaching net zero emissions by 2050, and to intergovernmental actions to mitigate climate change, such as the UN's Sustainable Development Goals. Not only do we believe this to be the right thing to do for society, but that it is critical for businesses to have a social mandate. Our strategy to focus on the generation of clean electricity is clearly aligned with the mitigation of climate change.

UK's net zero emissions target

2050

Group operating profit before depreciation & amortisation

£4.5m

* Operating Profit before depreciation and amortization.
** Based on energy used by a medium-sized house using 2,900 KWh p.a.

Solar Growth Limited - Strategic Report *(continued)*

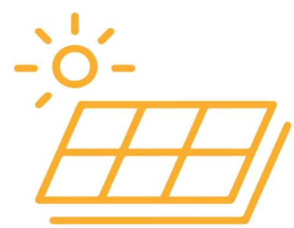
This year's highlights

The Group invested in and built an 875kw commercial rooftop site in the Southwest of England, which benefits from a 25-year, RPI linked power purchase agreement ("PPA"). This allows the Group to continue to grow its solar generation assets under management, while reducing exposure to electricity prices and inflation.

The Group has signed a framework agreement with a development partner to develop and construct UK battery projects. In September 2023, the Group made its first investment in this sector by acquiring a majority shareholding in a 30MWp battery development based in Scotland. This project provides an exciting growth opportunity and diversification of asset type exposure. In August 2024, post year end, North Lanarkshire Council gave consent for the development.

The Group is continuing to pursue its lease extension strategy. In the year. the Group agreed revised lease terms to extend the leases by 15 years with the landlords at Langford Solar Farm and Kenninghall Solar Farm. This will ensure continued long-term revenue generation at the largest sites in the portfolio (see page 5). The Group are in discussion to increase the lease terms at further ground mount locations.

The group completed construction and connected a 187kw commercial rooftop site. The site has long-tern energy sale agreements linked to its lease.



Outlook

Since the year end the Group acquired 17 commercial rooftop assets and 67 residential systems totaling 1.575MW. Most of the revenue from these acquired sites are from UK government mandated Feed-In-Tariffs which increase annually by the level of inflation, as measured by the RPI.

A new commercial rooftop asset with a total peak production of 0.9MWh completed construction and is now operational. The solar systems all have long-term energy sale agreements linked to the leases.

Post year end, the Group completed its reinforcements works at the Pond Farm and Wroxton solar farms. This is expected to increase the operational efficiency of the assets and reduce future maintenance expenditure.

A repowering project at the Pond Farm Solar Farm was completed post year end. The work carried out at the site will increase energy production, reliability and cost efficiency.

Solar Growth Limited - Our Portfolio Locations

	Location	Commissioning Date	Installation Type	Annual Generation (MWh)*	Homes Powered**	kg CO^2eq***
1	Pond Farm	03-Jul-14	Ground mounted	2,595	895	2,336
2	Fen Road	27-Jul-14	Ground mounted	1,421	490	1,280
3	Briddlesford	30-Mar-14	Ground mounted	589	203	530
4	Wroxton	31-Mar-14	Ground mounted	1,573	542	1,415
5	Taunton	12-Mar-15	Ground mounted	1,744	601	1,570
6	Kenninghall	31-Mar-15	Ground mounted	7,703	2,656	6,932
7	Langford	27-Mar-15	Ground mounted	12,959	4,469	11,663
8	Boskennal	10-Jun-15	Ground mounted	956	330	861

Installation Type	Number of Installations	Capacity	Annual Generation (kWh)*	Homes Powered**	kg CO^2eq***
• Commercial rooftops	40	5,866	4,842	1,670	4,402

*For the year ended April 2023 – March 2024

** Based on an OFGEM estimate (2023) that the typical UK household consumes 2,900 kWHper year

*** Equivalent CO2 emissions avoided compared to a traditional coal-fired power station

Why invest in solar assets?

Low-risk technology

Solar PV is a well-established technology based on solid state semiconductors with no moving parts. Solar PV systems are not only less susceptible to faults than other, more complex technologies, but also have consistently higher availability.

Tackling climate change

Investing in solar assets enables investors to actively contribute to tackling climate change by investing in one of the most cost-effective renewable electricity generation technologies.

Greater forecast accuracy

Good availability of solar irradiance data allows for more reliable power generation predictions from solar PV systems when compared to power generation predictions from other technologies, such as wind power. As a result, any discrepancy between predicted power production and actual power production is reduced, which ultimately results in solar generation providing investors with more consistent returns.

Growth opportunity

Given broader Net Zero commitments made by the UK government, the roll out of renewable generation capacity is expected to increase significantly over the coming decades. Over the next 10 years, the market for solar generation in the UK is set to more than double.

Climate change

Enabling investors to contribute towards tackling this global issue

10 years

Within this time the market for solar generation is set to double

Risk and Uncertainties

The following table outlines some of the risks facing the Group and some of the mitigants to them:

Type	Risk	Mitigation
Counterparties	PPA prices may not be honoured if counterparties become insolvent.	Credit assessments are undertaken for material counterparties and they are judged to be of strong commercial credit.
Energy Price	As a result of lower-than-expected power prices, revenues do not align to forecast projections.	All of our solar generation assets benefit from a substantial proportion of their revenues coming from Government-backed subsidies such as Feed-In Tariffs or Renewables Obligation Certificates.
Weather	Generation is lower than expected due to weather volatility.	Solar assets are capable of accurate forecasts relative to other renewable technologies, based on many decades of weather data. Furthermore, our assets benefit from geographical diversification, reducing the exposure to any unusual local weather patterns.
Political	Retrospective changes to UK government-mandated payments received on renewable energy assets.	There is no history of retrospective changes to incentives from UK governments and government policy is to support renewables.
Operational	Assets underperform due to technical issues or poor maintenance.	Our assets are managed on a day-to-day basis by our experienced operation and maintenance contractors ("O&M"). The O&M contractors are overseen by Armstrong Capital Management, an experienced renewables asset manager with a specialist focus on solar assets, and report quarterly to the Solar Growth Board of Directors.
Interest rate	Rises in interest rates result in higher interest payments on debt.	Most debt is linked to RPI which matches the annual increase in subsidy payments received by our assets. By linking debt repayments to income, the Group expense is substantially mitigated.
Valuation	Reduction in market value of assets.	Highly predictable and partially subsidised revenue streams, as well as a low, predominantly fixed, cost base reduces volatility in the Group's valuation.
Taxation	Changes in corporation taxes or energy generation windfall taxes reduce future profits.	The energy generators levy does not affect the Group as the Group's annual generation is below the minimum threshold.

Directors' Report

for the year ended 31st March 2024

The Directors present their report for the year ended 31st March 2024.

Principal activity

The principal activity of the Group is the production of solar-generated renewable energy.

Results

The Consolidated Statement of Comprehensive Income for the year is set out on page 12.

Directors

The Directors who served during the year were:

- Andrew Webster
- Christopher Carlson
- Paul Beynon
- Samuel Gompels

Directors' Responsibilities Statement

The directors are responsible for preparing the financial statements.

The directors have elected to prepare the group financial statements in accordance with UK adopted International Financial Reporting Standards (IFRSs) and the parent company financial statements in accordance with the UK Generally Accepted Accounting Practices. In approving the financial statements, the directors have satisfied themselves that they give a true and fair view of the state of affairs of the Company and Group and of the profit or loss of the Company and Group for that period.

In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and accounting estimates that are reasonable and prudent, stated the basis of preparation and accounting polices applied, and have prepared the financial statements on the 'going concern' basis.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information;
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Auditor

The auditor, Lubbock Fine LLP, is deemed to be reappointed under the Companies Act 2006, s. 487(2). A copy of their opinion is on page 9-11

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

C. Carlson
Director

30 September 2024

Independent Auditors' Report

to the members of Solar Growth Limited

Opinion

We have audited the financial statements of Solar Growth Limited (the 'Group') for the year ended 31 March 2024, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31st March 2024 and of the Group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been prepared in accordance with the UK Generally Accepted Accounting Standards.
- The group and parent company financial statements have been prepared in accordance with the requirements of the Company Act 2006; and
- The information given in the Strategic Report and Directors' Report is consistent with the financial statements.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

continued

Independent Auditors’ Report *(continued)*

to the members of Solar Growth Limited

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Opinion 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 Directors’ Report is consistent with the financial statements: and
- The Strategic Report and Directors’ Report have been prepared in accordance with applicable legal requirements.

Responsibilities of Directors
As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors’ responsibilities for the audit of the financial statements

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- Enquires of management, including obtaining and reviewing supporting documentation, concerning the Group’s policies and procedures relating to:
  - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and IFRS.

continued

Independent Auditors' Report *(continued)*

to the members of Solar Growth Limited

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These include general data protection regulations, health and safety regulations and environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition and management override.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing the completeness and accuracy of the revenue recognised through reviewing the inputs of income trackers to verifiable tariffs, reviewing afterdate records to ensure revenue is materially complete and agreeing revenue accrued at the year end to bank receipts;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the Group's operations;

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Group's members, as a body, in accordance applicable law. Our audit work has been undertaken so that we might state to the Group's members whose 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 Group and the Group's members, as a body, for our audit work, for this report, or for the opinion we have formed.

Sam Snelson (Senior Statutory Auditor)
For an on behalf of
Lubbock Fine LLP
Chartered Accountants &
Statutory Auditors
Paternoster House
65 St Paul's Churchyard London
EC4M 8AB

30 September 2024

Consolidated Statement of Comprehensive Income

for the year ended 31st March 2024

	Note	31 March 2024 £'000	31 March 2023 £'000
Turnover	4	6,279	6,285
Cost of sales	5	(1,607)	(1,394)
Gross profit		4,672	4,891
Administrative expenses		(210)	(248)
Operating profit before depreciation and amortisation		4,462	4,643
Depreciation and amortisation		(1,714)	(2,000)
Operating profit		2,748	2,643
Interest receivable and similar income		292	204
Interest payable and expenses	6	(1,183)	(2,804)
Profit before taxation		1,857	43
Tax on profit	7	(501)	38
Profit for the financial year		1,356	81
Profit/(loss) for the year attributable to:			
Non-controlling interests		-	(38)
Owners of the parent Company		1,356	119
Other comprehensive income			
Revaluation of solar PV assets		7,090	-
Deferred tax on revaluation of solar PV assets	7	(1,773)	-
Total comprehensive income		6,673	81
Attributable to:			
Non-controlling interests		-	(38)
Owners of the parent Company		6,673	119

There was no other comprehensive income for 2024 (2023: £nil).

All amounts relate to continuing operations.

The notes on pages 15 to 34 form part of these financial statements.

Consolidated Balance Sheet

as at 31st March 2024

	Note		31 March 2024 £'000		31 March 2023 £'000
Fixed assets					
Right of use asset	9		4,788		3,190
Tangible assets	10		40,878		33,144
			45,666		36,334
Current assets					
Stock		38		17	
Debtors: amounts falling due after more than one year	11	1,804		416	
Debtors: amounts falling due within one year	11	3,569		3,680	
Cash at bank and in hand		4,855		7,231	
		10,266		11,344	
Creditors: amounts falling due within one year	12	(3,443)		(3,230)	
Net current assets			6,823		8,114
Total assets less current liabilities			52,489		44,448
Creditors: amounts falling due after more than one year	13		(25,358)		(25,058)
Provisions for liabilities					
Deferred tax	7	(4,246)		(1,994)	
Other provisions	15	(183)		(172)	
			(4,429)		(2,166)
Net assets			22,702		17,224
Capital and reserves					
Called up share capital			7,410		7,944
Share premium account			5,750		5,282
Capital redemption reserve			636		-
Revaluation reserve			5,318		-
Profit and loss account			3,588		3,998
Equity attributable to owners of the parent Group			22,702		17,224
Non-controlling interest			-		-
			22,702		17,224

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by C Carlson, Director, on 30 September 2024. The notes on pages 15 to 34 form part of these financial statements.

Christopher Carlson
Director
Company number: 08475070

Consolidated Statement of Changes in Equity

for the year ended 31st March 2024

	Called up share capital	Share premium account	Profit and loss account	Capital redemption reserve	Revaluation reserve	Non-controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1st April 2022	7,100	3,561	4,196	-	-	1,961	16,818
Comprehensive income for the year							
Profit/(Loss) for the year	-	-	119	-	-	(38)	81
Elimination of non-controlling interest	735	1,322	(223)	-	-	(1,923)	(89)
Dividends: Equity capital	-	-	(50)	-	-	-	(50)
Shares issued during the year	109	399	-	-	-	-	508
Shares redeemed during the year	-	-	(44)	-	-	-	(44)
At 1st April 2023	7,944	5,282	3,998	-	-	-	17,224
Comprehensive income for the year							
Profit/(loss) for the year	-	-	1,356	-	-	-	1,356
Revaluation of solar PV asset net of tax	-	-	-	-	5,318	-	5,318
Shares issued during the year	102	468	-	-	-	-	570
Share redeemed during the year	(636)	-	(1,765)	636	-	-	(1,765)
At 31st March 2024	7,410	5,750	3,588	636	5,318	-	22,702

Consolidated Statement of Cash Flows

for the year ended 31st March 2024

	Notes	2024 £ '000	2023 £ '000
Cash flows from operating activities			
Profit for the period before taxation		1,857	43
Adjustments to reconcile profit for the year to net cash flows from operating activities			
Depreciation of property, plant and equipment		1,519	1,802
Finance costs		1,072	2,732
Tax payable		(21)	(38)
Profit on disposal		-	6
Cash flows from operating activities		4,426	4,545
(Decrease) in trade and other receivables		(1,278)	(116)
Increase / (Decrease) in trade and other payables		319	(241)
(Decrease) in inventory		(21)	-
Decrease in provisions		19	11
Cash generated from operations		3,465	4,199
Income tax paid		-	-
Net cash flows from operating activities		3,465	4,199
Cash outflow from investing activities			
Purchase of PV assets		(2,324)	(565)
Proceeds from disposal of fixed assets		161	35
Net cash outflow from investing activities		(2,163)	(530)
Cash flows from financing activities			
Proceed from new borrowings		-	3,000
Repayment of borrowings		(2,421)	(3,899)
Interest paid		(62)	(89)
Dividend paid		-	(98)
Proceeds from issue of new shares		570	601
Shares redeemed		(1,765)	-
Net cash outflow from financing activities		(3,678)	(485)
Net increase in cash and cash equivalents		(2,376)	(3,188)
Cash and cash equivalents at beginning of period		7,231	4,125
Cash and cash equivalents at end of period		4,855	7,231

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

1. General information

Solar Growth Limited is a private company limited by shares incorporated in England and Wales, registered number 08475070. Its registered office and principal place of business is Level 4, LDN: W, 3 Noble Street, London, EC2V 7EE. The nature of the Group's operations and its principal activities are set out in the Strategic Report.

2. Significant accounting policies

The following accounting policies and measurement bases are set out below and have been applied consistently in dealing with items which are considered material in relation to the financial statements unless otherwise stated.

2.1 Basis of preparation of financial statements

The consolidated financial statements of the Group have been prepared in accordance with UK Adopted International Accounting Standards. The standalone financial statements of each entity under the Group are prepared in accordance with Financial Reporting Standards applicable in the UK and Republic of Ireland ("FRS 102"). These consolidated Financial Statements under IFRS have been prepared by making relevant adjustments applicable under IFRS to the books of the entities' accounts prepared under FRS 102.

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

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The consolidated financial statements and notes are presented in Sterling ("GBP") which is the Group's and the Company's functional currency. Monetary amounts in these financial statements are rounded to the nearest £'000.

2.2 First-time adoption of IFRS

The Parent Company prepares statutory accounts under Section 1A of FRS 102. The financial information for the year ended 31 March 2024 in these financial statements represents the first time that the Group has prepared consolidated financial information under IFRS. A Consolidated Statement of Financial Position as at 1 April 2023, the date of transition to IFRS, has been disclosed in Note 23 of these financial statements.

The directors consider that the only material changes to the Consolidated Statement of Financial Position at this date is the recognition of Solar PV Systems and derecognition of intangible assets and tangible assets, and the recognition of right of use assets and related lease liabilities .The change to Solar PV Systems is a change to the treatment of the assets but there is no change to the numbers associated with both items therefore the Consolidated Statement of Financial Position would be the same if prepared under previous GAAP as prepared under IFRS and that transition to IFRS does not require adjustment to any of the figures stated in the Consolidated Statement of Comprehensive Income. The impact of recognising right of use assets and liabilities is shown in Note 23.

The subsidiary undertakings prepare statutory accounts under Section 1A of FRS 102 which are deemed to have no material differences for the preparation of these financial statements from IFRS, therefore no adjustments are required in the consolidation of these entities. Historically the financial statements were prepared under FRS 102 and Solar PV assets were split between tangible and intangible assets. The split represented the equipment installed as tangible and the contracts associated with the PV systems as intangible assets. On transition to IFRS and as required by IAS 38, intangible assets which were acquired in a business combination and are separable, but only together with a related asset have been recognised together with the related asset. IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to the financial period end on 31 March each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2.2 Basis of consolidation (continued)

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company losses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement, when applicable, the costs on initial recognition of an investment in an associate or a joint venture.

2.3 Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

2.3 Business combination (continued)

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

2.4 Going concern

The Group meets its day to day working capital requirements through the financial support of its lenders. The directors believe that it is appropriate to prepare the financial statements on a going concern basis which assumes that the Company will continue in operational existence with the continued support of its lenders.

If the Group is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that might arise and reclassify fixed assets as current assets.

2.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable in respect of power exported to the grid and associated tariffs, provided in the normal course of business, net of discounts and VAT.

The Group follows the accounting standard IFRS 15: 'Revenue from Contracts with Customers'. Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with the Offtaker.

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration that the Group expects to be entitled to in exchange for generated energy. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each KWh as contracted. Revenue is recognised when the performance obligation is satisfied, which is the point in time of energy export.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.9 Tangible fixed assets

The Group's accounting policy for PV Solar systems and equipment is for these to be initially recognised at cost and subsequently at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. A revaluation surplus is credited to the revaluation reserve in shareholders' equity. The revaluation model was adopted from March 2024 and in accordance with IAS8 and IAS16 this change has been applied prospectively.

Prior to this 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 or revalued amounts less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery - The period until the end of the lease which varies between 2035 and 2054.

Repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the revaluation surplus to retained earnings.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.10 Trade and other receivables

Trade receivables are initially recognised at fair value and are carried at amortised cost as reduced by appropriate allowances for estimated irrecoverable amounts. Trade receivables subject to the invoice discounting facility are recognised in the balance sheet until they are settled by the customer.

IFRS 9 requires the Group to record expected credit losses on all loans and trade receivables referring to a period of either 12 months or the entire duration of the instrument's contract. The Group applies the simplified approach, recognising expected credit loss on all receivables based on their residual contractual duration.

2.11 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.

2.12 Trade and other payables

Trade payables are initially recognised at fair value and are carried at amortised cost.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 profit or loss in the year that the Group 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.

2.14 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.15 Leases

The Group has applied IFRS 16 during the period. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments less lease incentive to be received.
- Variable lease payments linked to an index or interest rate.
- Amounts expected to be payable under the residual value guarantee.
- The exercise price under a purchase option that the Group is reasonably certain to exercise.
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option.
- Penalties for an early termination of a lease unless the Group is reasonably certain not to terminate early.

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

The lease obligations are unwound at the incremental borrowing rate, with the interest expense recognized in Finance Costs in the Consolidated Statement of Comprehensive Income. The right-of use assets are depreciated on a straight-line basis over the remaining life of the lease and the expense is recognized in cost of sales in the Consolidated Statement of Comprehensive Income.

The Group applies the lease of low-value assets recognition exemption to leases of rooftops that are considered to be low value due to the peppercorn rent agreement. Lease payments on low value assets are recognized as expenses on a straight line basis over the lease term. All leases held by the Group are deemed to be low value.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.17 Adoption of new and revised IFRSs

As the Group applied IFRS for the first time in the current year, all applicable standards were applied. The Directors have reviewed any standards which are in issue and effective but not yet applicable (and so have not applied these in the preparation of the financial statements) and do not expect these to have a significant impact on the financial statements when they are applied.

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

3. Significant accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 1, management is required to make:
•judgements (other than those involving estimations) that have a significant impact on the amounts recognised; and
•estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

The significant judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Valuation of solar PV assets

As described in Note 8, solar PV assets are stated at fair value based on the valuation performed by an independent professional valuer, Amberside Valuations, who have relevant experience in valuing these assets The valuation approach taken is set out in Note 8

Decommissioning provision

The Group recognises a provision for decommissioning costs when there is a contractual obligation to return a site to its previous condition. The provision is calculated using existing information in relation to the costs involved with returning these sites to their original condition and discounted using a risk-free pre-tax rate. See Note 15 for details. The unwinding of the discounting is recognised as finance cost.

Deferred tax

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

4. Revenue

Disaggregation of revenue from contracts with customers

The revenue is attributable to the principal activity of the Group, being the generation of renewable energy. All revenues were generated in the United Kingdom.

The Group derives revenue from the generation of electricity from three distinct categories:

	2024 £000	2023 £000
Generated under power purchase agreements	408	303
Generated under Feed-in-Tariffs	177	204
ROC income	2,648	2,517
Export income	2,830	3,079
Other income	216	182
	6,279	6,285

Contract balances

The opening and closing balances of receivables and contract assets from contracts with customers are as follows:

	2024 £000	2023 £000
Trade debtors	74	96
Accrued income	710	628

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

5. Cost of Sales

	2024 £000	2023 £000
Insurance	124	111
Operations and maintenance	431	469
Management fee	684	381
Rent	76	40
Business rates	88	78
Import electricity	159	261
Other direct costs	45	54
	1,607	1,394

6. Finance cost

	2024 £000	2023 £000
Interest payable on bank loans	1,166	2,786
Interest payable on lease liability	17	18
	1,183	2,804

Bank loans totalling £20,425k as at 31 March 2024 accrue interest at 1.29% above base and are indexed for RPI on a semi-annual basis.

Bank loans totalling £2,657k as at 31 March 2024 accrue interest at 6.50%.

Lease liability totalling £4,879k as at 31 March 2024 accrues interest at 6.50%.

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

7. Taxation

	2024 £000	2023 £000
Current tax		
Current tax (credit)/charge for the period	-	-
Deferred tax		
Origination and reversal of temporary differences	501	(38)
Deferred tax on revaluation	1,773	-
	2,274	(38)

The tax expense for the period can be reconciled to the accounting profit as follows:

	2024 £000	2023 £000
Current tax		
Profit before tax from continuing operations	1,857	43
Income tax calculated at 25% (2023: 25%)	464	11
Effects of:		
Expenses not deductible for tax purposes		
Tax losses utilised	(464)	-
Revaluation of solar PV assets	1,773	-
Deferred tax on leases	2	-
Other timing differences	499	(49)
Total charge for the period (see note above)	2,274	(38)

Factors that may affect future tax charges
There are no known factors which would impact future tax charges.

Taxation balances in the consolidated balance sheet are shown as follows:

	2024 £000	2023 £000
Current tax	-	-
Deferred tax		
Origination and reversal of temporary differences	1,584	1,362
Losses carried forward	(652)	(992)
Deferred tax on revaluation and acquisition	3,313	1,624
	4,246	1,994

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

8. Employees

The average monthly number of employees during the year was nil (2023: nil).

9. Right of use asset

	Right of use asset £000
Cost	
At 1st April 2023	3,388
Modifications	1,802
At 31st March 2024	5,190
Depreciation	
At 1st April 2023	198
Charge for the year on owned assets	204
At 31st March 2024	402
Net book value	
At 31st March 2024	4,788
At 31st March 2023	3,190

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

10. Tangible fixed assets

	PV systems £000
Cost or valuation	
At 1st April 2023	44,068
Additions	2,324
Disposals	(344)
Revaluation	7,090
At 31st March 2024	53,138
Depreciation	
At 1st April 2023	10,924
Charge for the year on owned assets	1,519
Disposals	(183)
At 31st March 2024	12,260
Net book value	
At 31st March 2024	40,878
At 31st March 2023	33,144

Notes to the Consolidated Financial Statement
for the year ended 31st March 2024

10. Tangible Fixed Assets (continued)

At 31 March 2024, the Solar PV assets were revalued at £40,878,000 by Amberside Valuations, an independent valuer.

If the Solar PV assets had not been included at valuation they would have been included under the historical cost convention as follows:

	2024 £'000	2023 £'000
Cost	46,221	44,068
Accumulated depreciation	(12,434)	(10,924)
Net book value	33,787	33,144

The fair value of the Solar PV assets are estimated using a future cash flows approach which estimates the future value of cash flows that the Group should receive. This is calculated using a discount rate derived from analysis of competitors within the solar and infrastructure industry. The estimated cash flows takes into account future irradiation, degradation of solar PV assets, inflation rates and impacts of government subsidies.

The most significant inputs, all of which are unobservable, are the future irradiation, inflation rates and the discount rate. The estimated fair value increases if future irradiation increases, inflation rates increase or discount rates decrease. The overall valuations are sensitive to all three assumptions.

The calculation of the fair value of the Solar PV assets is most sensitive to changes in inflation rates and the discount rates.

	31 March 2024 £'000
Change in inflation	
Change in fair value of Solar PV asset for increase in inflation by 0.5%	625
Change in fair value of Solar PV asset for decrease in inflation by 0.5%	(625)
Change in discount rates	
Change in fair value of Solar PV asset for increase in discount rates by 0.5%	738
Change in fair value of Solar PV asset for decrease in discount rates by 0.5%	(789)

Notes to the Consolidated Financial Statement
for the year ended 31st March 2024

11. Debtors

Amounts due in less than one year	2024 £000	2023 £000
Trade debtors	74	96
Accrued income	710	628
Other debtors	1,836	564
VAT	237	-
Loans receivable	712	2,392
	3,569	3,680

Amounts due in more than one year	2024 £000	2023 £000
Loans receivable	1,804	416
	1,804	416

12. Creditors: Amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	369	167
Other creditors	132	100
Accruals and deferred income	339	254
Lease liability	190	204
Loans and overdrafts	2,413	2,505
	3,443	3,230

The following liabilities were secured:

	2024 £000	2023 £000
Bank loans	2,413	2,505

Details of security provided:
The loan notes are secured by way of fixed and floating charges covering all of the property of the Group and contain a negative pledge. Certain loans are secured on the shares of the parent Company.

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

13. Creditors: Amounts falling due after more than one year

	2024 £000	2023 £000
Lease liability	4,689	3,071
Bank loans	20,669	21,987
Total	25,358	25,058

The following liabilities were secured:

	2024 £000	2023 £000
Bank loans	20,669	21,987

Details of security provided:

The loan notes are secured by way of fixed and floating charges covering certain properties of the Group and contain a negative pledge.

Certain loans are secured on the shares of the parent Company.

The aggregate amount of liabilities repayable wholly or in part more than five years after the balance sheet date is:

	2024 £000	2023 £000
Other loans	11,633	13,093
Lease liability	3,917	2,246

The loan notes are secured by way of fixed and floating charges covering certain properties of the Group and contain a negative pledge.

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

14. Leases

The Group leases the sites where its solar PV assets are mounted.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	2024 £000	2023 £000
As at 1 April	3,275	3,477
Additions	1,802	-
Accretion of interest	17	18
Payments	(215)	(220)
Loans and overdrafts	-	-
As at 31 March	4,879	3,275
Current	190	204
Non-current	4,689	3,071

As 31 March 2024, the Group had future minimum lease payments due under cancellable operating leases for each of the following periods:

	2024 £000	2023 £000
Not later than 1 year	190	204
Later than 1 year and not later than 5 years	772	825
Later than 5 years	3,917	2,246
	4,879	3,275

15. Provisions

	Decommissioning provision £000
At 1st April 2023	172
Charged to profit or loss	11
At 31st March 2024	183

16. Share capital

Authorised, allotted, called up and fully paid share capital

	2024 £000	2023 £000
7,407,570 (2023: 7,942,630) Ordinary A shares of £1 each	7,408	7,943
195,358 (2023:96,910) B redeemable Ordinary shares of £0.01 each	2	1
	7,410	7,944

On 24th April 2023, 8,870 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.79 per share.

On 24th May 2023, 23,215 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.81 per share.

On 30th November 2023, 8,534 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.90 per share.

On 19th February 2024, 333 B Redeemable Ordinary shares of nominal value £0.01 each were redeemed at £2.94 per share.

On 27th February 2024, 25,000 B Redeemable Ordinary shares of nominal value £0.01 each were issued at a premium of £2.94 per share.

On 6th March 2024, 33,162 B Redeemable Ordinary shares of nominal value £0.01 each were redeemed at a premium of £2.94 per share.

On 28th March 2024, 635,978 A Ordinary shares of nominal value £0.01 each were repurchased by the Company at a premium of £2.98 per share.

The average dividend paid per A ordinary share was £nil (2023 - £0.006) per share for the year.

The average dividend paid per B redeemable share was £nil (2023 - £nil) for the year.

The ordinary shares have attached to them full voting, dividend, and capital distribution (including on winding up) rights. The redeemable shares. Each redeemable share carries one vote, but do not carry rights in respect of distributions and certain rights to participate in capital on a wind-up.

17. Reserves

Share capital is determined using the nominal value of shares that have been issued.

The share premium account represents premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

The revaluation reserve comprises the gains and losses from the revaluation of Solar PV assets.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

The capital redemption reserve is formed when the company repurchases shares.

18. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Management fees of £684k (2023: £381k) were payable to Armstrong Capital Management Limited, a company which provides key management personnel to the Group.

19. Controlling party

The Company is owned by a number of individual shareholders. There is no overall controlling party.

20. Financial risk management objectives and policies

Policies

The Group's financial instruments comprise cash and cash equivalents, trade and other receivables, trade and other payables and loans payable to other entities. The Group does not trade in derivatives or in foreign currency.

The main risks arising from the Group's financial instruments are credit risk, liquidity risks and inflation rate risk. The Group uses different methods to manage and minimise its exposure to risks. These include monitoring liquidity risk through the development of future rolling cash flow forecasts.

The final approval and monitoring of any of these policies is done by the Directors who review and agree on the policies for managing each of the risks as summarised below.

Risk exposures

a. Credit risk

All trade receivables are subject to credit risk exposure. An allowance for impairment is made, on power generated but not certified on a line by line basis, where there is, based on previous experience, evidence of a likely reduction in the recoverability.

The Group's exposure is spread over a large number of independent balances.

A sensitivity analysis was performed to highlight the potential impact of significant fluctuations in the provision required for customers and the impact on the loss before tax:

	2024	**2023**
	£'000	**£'000**
25% increase in provision required	(45)	(45)
25% decrease in provision required	45	45

b. Liquidity risk

The Group's objective is to maximise its cash availability by evaluating current charges of various suppliers and the Group will seek additional funds from existing investors or new investors or a combination of both, should these be required.

Details of the amount of the Group's loans and the contractual maturity of these loans can be found in notes 12 and 13.

c. Interest rate risk and maturity analysis

The Directors believe that the exposure to inflation rate fluctuations is significant on loans but mitigated by revenues being linked to RPI too. The revenues are government backed and increase every April in line with RPI. The bank loans are linked to RPI and increase semi-annually.

Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Groups' exposure to, and the credit ratings of, its counter parties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counter parties. Periodic evaluation is performed on the financial condition of accounts and other receivables.

Note 11 gives detail on the Groups' exposure to credit risk.

20.Financial risk management objectives and policies (continued)

Capital Management

The Group's objective when managing capital is to ensure that adequate funding and resources are obtained to enable it to develop future projects, whilst in the meantime safeguarding the Group's ability to continue as a going concern. This is to enable the Group to provide appropriate returns for shareholders and benefits for other stakeholders.

The Directors intend to utilise financing sources, be that debt or equity, that best suit the Group's working capital requirements and market conditions.

21. Fair value measurement of financial instruments

The fair value of the financial assets and financial liabilities of the Group, at each reporting date, approximates to their carrying amount as disclosed in the Consolidated Statement of Financial Position and in the related notes.

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The fair value of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The cash and cash equivalents, other receivables, trade payables and other current liabilities approximate their carrying value amounts largely due to the short-term maturities of these instruments. The directors consider the fair value of the long term borrowings to be materially consistent with the value they are held at in the financial statements. Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 31 March 2024.

	Carrying amount 2024 £000	Fair value 2024 £000	Carrying amount 2023 £000	Fair value 2023 £000
Financial assets				
Trade and other receivables	5,373	5,373	4,096	4,096
Cash and cash equivalents	4,855	4,855	7,231	7,231
Total	10,228	10,228	11,327	11,327
Financial liabilities				
Trade and other payables	**840**	**840**	**521**	**521**
Bank loans and other borrowings	**23,082**	**23,082**	**24,519**	**24,519**
Lease liability	**4,879**	**4,879**	**3,275**	**3,275**
Total	28,801	28,801	28,315	28,315

Notes to the Consolidated Financial Statement

for the year ended 31st March 2024

22. Post balance sheet events

On 26th April 2024, the group acquired assets totalling 1.575MW which comprise of 17 commercial sites and 67 residential sites. The project included the acquisition of AEI Solar Limited. The costs of the completion of the project amounted to £985,000, financed through a loan. The accounting for this transaction has not been finalised so the disclosures under IFRS 3.B64 will be included in the Group's next financial statements.

Post year end, the construction of an 875KW commercial rooftop site was completed and went into operation.

23. IFRS transition

The directors have elected to apply International Financial Reporting Standards in preparing these financial statements. The transition date for this change is 1 April 2022. The below shows the impact of this transition on this opening balance sheet and the comparative balance sheet at 31 March 2023:

	Previously reported Mar 23 £000	Transition adjustment Mar 23 £000	As presented Mar 23 £000	Previously reported Mar 22 £000	Transition adjustment Mar 22 £000	As presented Mar 22 £000
Fixed assets						
Right of use asset	-	3,190	3,190	-	3,388	3,388
Tangible assets	26,746	6,398	33,144	27,730	6,692	34,422
Intangible assets	6,398	(6,398)	-	6,692	(6,692)	-
Current assets						
Stock	17	-	17	17	-	17
Debtors: amounts falling due after more than one year	3,680	-	3,680	1,747	-	1,747
Debtors: amounts falling due within one year	416	-	416	2,210	-	2,210
Cash at bank and in hand	7,231	-	7,231	4,125	-	4,125
Current liabilities						
Creditors: amounts falling due within one year	(3,026)	(204)	(3,230)	(2,656)	(202)	(2,858)
Net current assets	8,318	(204)	8,114 0	5,443	(202)	5,241
Creditors: amounts falling due after more than one year	(21,987)	(3,071)	(25,058)	(20,855)	(3,274)	(24,129)
Provisions for liabilities						
Deferred tax	(1,974)	(21)	(1,994)	(2,031)	(20)	(2,051)
Other provisions	(172)	-	(172)	(161)	-	(161)
Net assets	17,329	(106)	17,224	16,818	(108)	16,710

2024

Solar Growth Limited

Company only annual report and financial statements for the year ended 31st March 2024

Solar Growth

Company Balance Sheet

as at 31st March 2024

	Note		31 March 2024 £'000		31 March 2023 £'000
Fixed assets					
Investments	4		5,355		5,355
			5,355		5,355
Current assets					
Stock		21		-	
Debtors	5	8,983		8,877	
Cash at bank and in hand		2,230		3,830	
		11,234		12,706	
Creditors: amounts falling due within one year	6	(894)		(359)	
Net current assets			10,340		12,347
Total assets less current liabilities			15,695		17,702
Provisions for liabilities					
Other provisions	7	(66)		(59)	
Net assets			15,629		17,643
Capital and reserves					
Called up share capital			7,410		7,944
Share premium account			5,740		5,282
Capital redemption reserve			636		-
Profit and loss account			1,843		4,417
Total capital and reserves			15,629		17,643

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A small entities. The financial statements were approved and authorised for issue by the board and were signed on its behalf by C Carlson, Director, on 30 September 2024. The notes on pages 37 to 40 form part of these financial statements.

Under section s408 of the Companies Act 2006, the Company is exempt from the requirement to present its own profit and loss statement.

Christopher Carlson
Director
Company number: 08475070

Notes to the Financial Statements

for the year ended 31st March 2024

1. General information

Solar Growth Limited, ("the Company"), is a private company limited by shares incorporated in England and Wales. The registered office is Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE.

2. Significant accounting policies

The following accounting policies and measurement bases are set out below and have been applied consistently in dealing with items which are considered material in relation to the financial statements unless otherwise stated.

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Section 1A of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the Company. Amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Consolidation

These financial statements represent the results and financial position of the parent company and do not consolidate the results and balance sheets of the Company's subsidiary undertakings.

2.3 Going Concern

The Company meets its day to day working capital requirements through the financial supports of its lenders. The directors believe that it is appropriate to prepare the financial statements on a Company going concern basis which assumes that the Company will continue in operational existence with the continued support of its lenders.

If the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet values of the assets to their recoverable amounts, provide for further liabilities that might arise and reclassify fixed assets as current assets.

2.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.5 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

2.6 Equity Instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

2.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2.8 Depreciation

Depreciation is calculated on a basis to write off each of the assets over their useful life.

3. Average number of employees

The average number of persons employed by the Company during the period was nil (2023: nil).

4. Fixed asset investments

	Investments in subsidiary undertakings £'000
Gross carrying value	
At 1st April 2023	5,355
Addition	-
At 31st March 2024	5,355

Notes to the Financial Statements (continued)

for the year ended 31st March 2024

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	2024 Holding	2023 Holding
Solar Dividend Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Kenninghall Solar Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Holdco Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
UK PV Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Langford Solar Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
PB Growth Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
PFB Solar Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Eden New Developments Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Solar Growth Development Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Wisborough Energy Centre Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	55%	55%
Burnbank Energy Centre Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	51%	-
SGL Trading Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Eden 5 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Renewables Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Eden 4 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Eden Acquisitions Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Rooftops 1 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Rooftops 2 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
SG Rooftops 3 Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%
Boskennal Ltd	Level 4, LDN: W, 3 Noble Street, London ,EC2V 7EE	Ordinary	100%	100%

5. Debtors

	2024 £'000	2023 £'000
Intercompany receivable	8,793	8,284
Trade debtors	10	4
Other debtors	30	309
Prepayments and accrued income	9	15
Deferred tax	141	265
	8,983	8,877

6 Creditors: amounts falling due within one year

	2024 £'000	2023 £'000
Trade creditors	5	13
Other creditors	-	2
Accruals and deferred income	186	53
Intercompany payables	703	291
	894	359

Notes to the Financial Statements (continued)

for the year ended 31st March 2024

7. Provisions

	Decommissioning provisions £'000
At 1st April 2023	59
Charged to profit or loss	7
At 31st March 2024	66