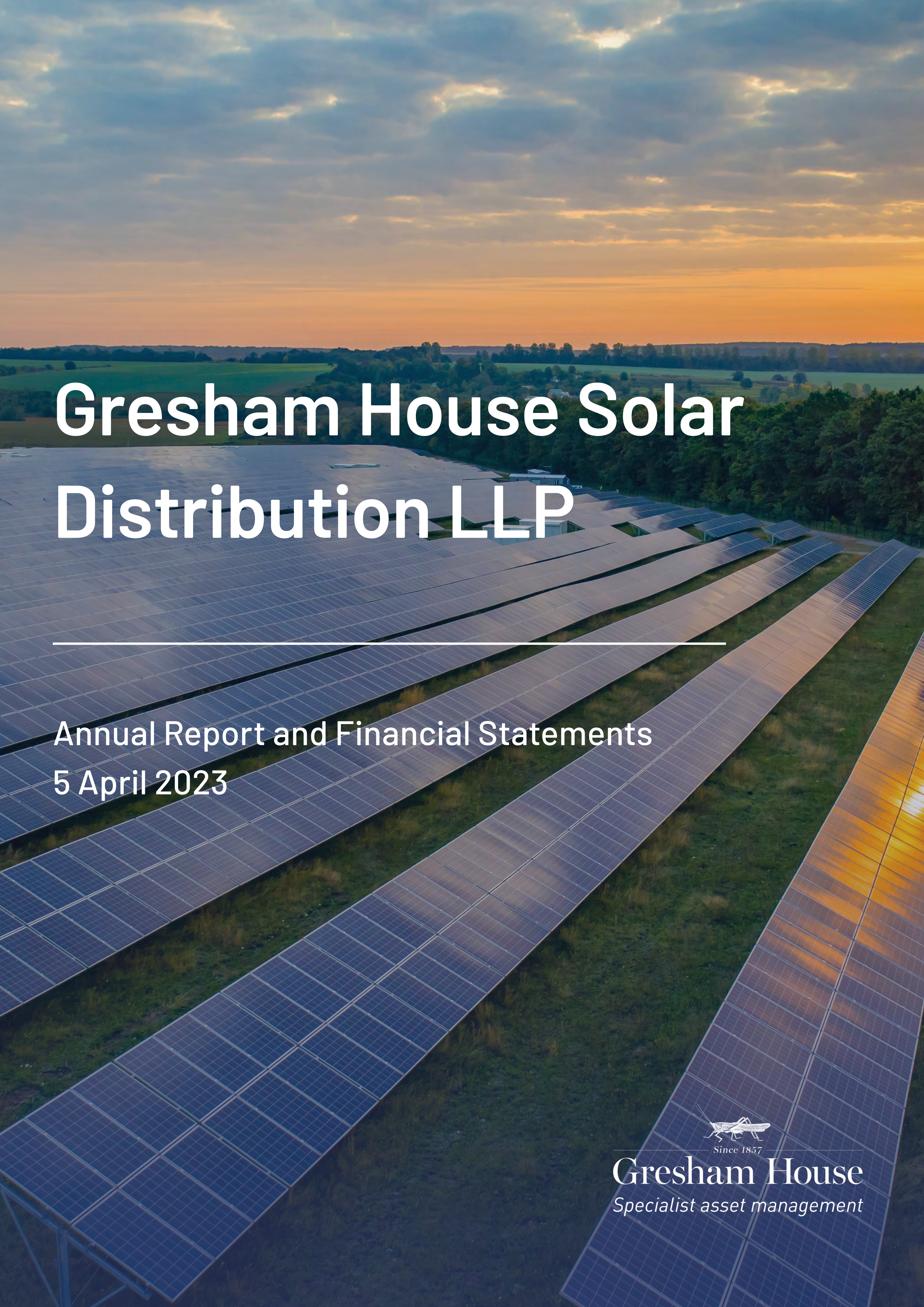

Gresham House Solar Distribution LLP

Annual Report and Financial Statements
5 April 2023

Since 1857
Gresham House
Specialist asset management

Contents

Highlights

- Gresham House Solar Distribution LLP (the LLP) generated 57,178MWh of electricity in the year ended 5 April 2023, 1,927MWh (3.5%) above budget.
- Average total price (wholesale power price and ROC subsidy) received by the LLP in the year ended 5 April 2023 was £159 per MWh versus £107 per MWh in the year ended 5 April 2022. The higher price per MWh reflects the higher wholesale prices in the market and the favourable power price fixes that the Manager put in place during the period.
- Acquisition of Harborough, a 28MW solar park located in Rugby, England.
- Extension of the debt facility from £18.0 million to £24.0 million to facilitate the Harborough acquisition and have funds available for Bumpers battery project.
- Distributions in the year ended 5 April 2023 totalled £128 per Partnership Share compared to £78 per Partnership Share[1] in the year ended 5 April 2022. Forecast distributions for the year ending 5 April 2024 are £121 per Partnership Share, the Manager has locked in fixed price contracts on seven of the nine projects until 30 March 2024, providing greater certainty on the level of distributions in the next 12 months, assuming the output budget is met.

[1]Excluding 'E' shareholders, who received their first distribution in October 2022.

Total Net Asset Value
(as at 5 April 2023)
£63.3*mn -1.06%

Net Asset Value per Share
(as at 5 April 2023)
£1,128.86* -1.06%

Total Return
(for 2022/23)
10.2%

Distribution per Share
(for the year to 5 April 2023)
£128 +64.1%

Income Yield
(for 2022/23)
11.2%

Total Output (MWh)
(for the year to 5 April 2023)
57,178 +10.1%

*Adjusted NAV - post April 2023 distribution

Percentage increase/decrease figures are based on 5 April 2022 statistics

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Annual Report

Manager's Report

James Armstrong
Fund Manager

Executive summary

The Manager presents its annual report on the results of Gresham House Solar Distribution LLP (LLP) for the period ended 5 April 2023.

The LLP had a productive year with output from the solar parks ranging from 94.2% to 117.0% of budgeted output.

Six of the nine assets exceeded their generation targets and overall output for the LLP to 5 April 2023 was 3.5% ahead of budget at 57,178MWh.

Consolidated turnover for the LLP was above budget at £9.1 million (2022: £5.5 million).

The LLP owns a diversified portfolio of nine operational solar parks totalling 58.4MW and a 28.0MW site currently under construction.

As at 5 April 2023 the LLP's gearing was 11.5% of Gross Asset Value (GAV). The LLP has a mandate which would allow gearing of up to 30% of GAV allowing full drawdown under the RCF. If the full drawdown (£24.0 million) was used under the RCF, this would take the GAV to 27.5%.

Total return 2022/23

The total return to all Members in respect of trading for the year to 5 April 2023 was 10.2%, or £115.85 per Partnership Share, comprising distributions paid of £128.00 per Partnership Share (11.2%), and an decrease in NAV of £12.15 (1.06%). See table opposite.

Total return	£ per Partnership Share	% of 2022 adjusted NAV
NAV at 5 April 2022	£1,173.69	
Less final distribution paid post year end in April 2022*	(£32.69)	
Adjusted NAV at 5 April 2022 (after distribution)	**£1,141.01**	
NAV at 5 April 2023 (per audited financial statements)	£1,187.86	
Less final distribution paid post year end in April 2023	(£59.00)	
Adjusted NAV at 5 April 2023 (after distribution)	**£1,128.86**	
Increase in adjusted NAV	(£12.15)	(1.06%)
2022/23 distributions	£128.00	11.22%
Total return 2022/23	**£115.85**	**10.2%**

*Average distribution across all share classes. "A","B","C" and "D" received £40.00 distribution, "E" received £0.00.

Net Asset Value (NAV)

The LLP's assets were valued externally by Jones Lang LaSalle Limited (JLL) as at 5 April 2023. This showed a slight decrease in adjusted NAV of 1.06% per Partnership Share from the last internal NAV in 2022, mainly as a result of lower long term power price forecasts and higher discount rates.

Distributions

A distribution of £69 per Partnership Share was paid in October 2022, with a final distribution of £59 per Partnership Share paid post year end in April 2023, bringing the total distribution paid in respect of trading for the year ending 5 April 2023 to £128 per Partnership Share, which was £51 per Partnership Share (66%) above budget (£77 per Partnership Share).

Partnership Share issue	Issue price per share	Number of Shares issued	Annual yield %	IRR from issuance
"A" Shares	£950.00	5,235	13.5%	8.6%
"B" Shares	£1,000.00	15,937	12.8%	9.3%
"C" Shares	£1,104.73	12,017	11.6%	7.4%
"D" Shares	£1,188.00	12,651	10.8%	5.1%
"E" Shares	£1,162.00	10,259	11.0%	7.5%
Portfolio	£1,141.01[1]	56,099	11.2%	7.8%[2]

[1]Previous years adjusted NAV [2]Blended Fund IRR

The table above shows the annual yields and IRR for each share class (based on the initial subscription price for the shares). "E" Shareholders received their first distribution in October 2022.

Business strategy

The LLP's core objectives continue to be:

- to distribute all surplus cash arising from operating large-scale ground mounted solar parks in the UK, after deducting working capital and debt service;
- to pay semi-annual distributions in April and October;
- to maintain a tax-efficient structure that allows for 100% Inheritance Tax (IHT) relief, in accordance with tax regulations, after holding Partnership Shares for a minimum of two years; and
- to maximise return on equity by utilising non-recourse gearing to a maximum of 30% of the LLP's GAV.

In December 2022, the LLP signed an Asset Purchase Agreement for the 28MW Harborough solar park located near Rugby, Warwickshire. Harborough will be the tenth asset in the portfolio and the largest to date with annual generation expected at over 26,000MWh, equivalent to almost half of the current portfolio output. Construction for the asset is underway and the site will be operational in early 2024.

The RCF is currently drawn to the amount of £8.2million. During the year the facility was expanded from £18.0 million to £24.0 million to give sufficient headroom for the completion of Harborough and the acquisition of Bumpers battery. Going forwards the LLP will look to convert the RCF into long-term fixed debt when appropriate to do so.

Seven of the nine operational assets have fixed wholesale power prices for the year ahead to April 2024 with the remaining two assets exposed to variable wholesale power prices. In the current period, Summer 2023, the average power price hedge is £158 per MWh versus £65 per MWh for the same period last year. The manager will seek to hedge future power prices as and when opportunities arise.

The Manager's programme of life extensions has to date extended the planning permission on five of the nine sites. Where possible, the Manager will continue to evaluate the potential to extend asset lives at all sites and implement accordingly.

Carbon dioxide emissions off setting

The LLP produced 57,178MWh during the year to 5 April 2023 (2022: 51,911MWh), which is the equivalent of powering 16,295 homes and saving 24,701 tonnes of carbon dioxide through the avoidance of emissions. The LLP is forecast to produce 55,071MWh during the year ending 5 April 2024; powering more than 15,600 homes and resulting in 23,791 tonnes of carbon being offset through emissions prevention.

Operating review

Consolidated trading result 2022/23

Audited Financial Statements for the LLP for the year to 5 April 2023 are set out in section two.

Consolidated turnover for the year was £9.1 million, equating to a combined price (power and ROCs where applicable) of £159 per MWh.

Cost of sales amounted to £0.6 million and was above budget due to higher Operations and Management (O&M) fees at East Appleton and Stripe relating to an accrued performance fee, additional inverter stock purchased over the year and some unplanned maintenance at the sites.

Administrative expenses totalled £3.7 million, which were higher than expected due to higher than budgeted insurance costs and increased fees linked to output.

The LLP generated an operating profit for the year of £4.8 million. Bank interest of £0.2 million was paid on the outstanding loan balance in the period.

LLP statement of financial position as at 5 April 2023

The Audited Financial Statements confirm an audited NAV at 5 April 2023 of £66.6 million, which incorporates the external valuation using a 7.0% (2022: 5.5%) unlevered pre-tax discount rate for subsidised assets and 7.3% (2022: 6.0%) for subsidy free assets.

Current assets include debtors and prepayments of £7.2 million and cash of £10.1 million. A distribution of £3.3 million was paid shortly after the year end in April 2023.

Creditors due within one year amount to £1.4 million.

As at 5 April 2023, borrowings relate to the RCF with Virgin Money totalling £8.2 million (11.5% of GAV).

The Statement of Financial Position includes £6.4 million of 'Amounts due from Members'. This is a notional amount to reflect the distributions paid to Members in excess of the accounting profits recognised. It is an accounting entry only and Members will not be required to repay this.

Trading budget 2023/24

Turnover of £11.0 million is budgeted based on output of 55,071MWh at an average total price of £200 per MWh, which includes ROC revenue which is index linked. The budget has been compiled using a blend of Aurora (April 2023) and Afry Q1 2023 power price forecasts and any price fixes that are in place.

Cost of sales are budgeted at £0.8 million.

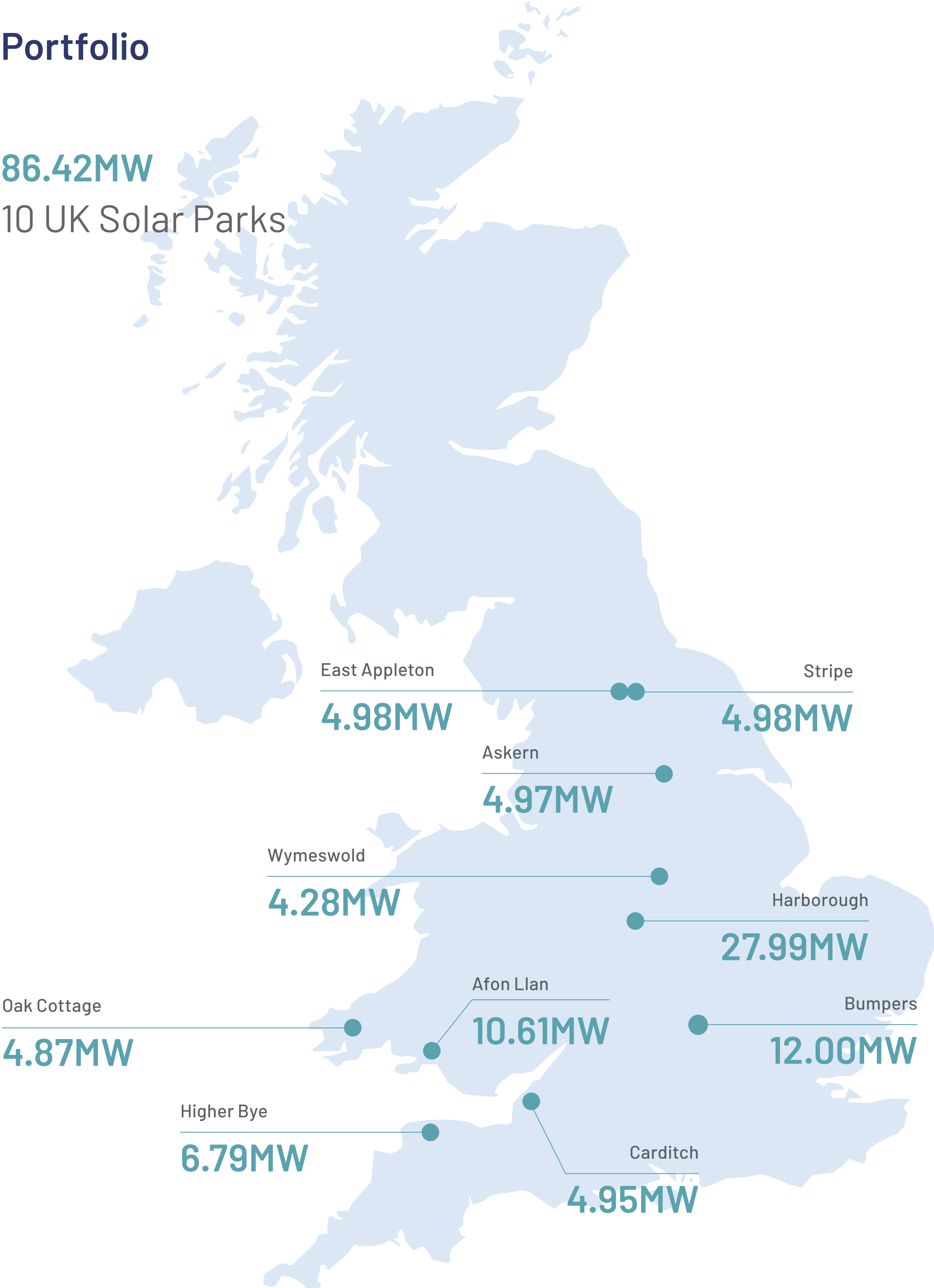
Administrative expenses (excluding depreciation) are budgeted at £1.8 million, giving an EBITDA of £8.4 million. Interest of £1.2 million and bank loan repayments of £0.4 million give a budgeted net cash surplus of c.£6.8 million.

Depreciation of £2.1 million is budgeted to create a net accounting profit for the year of £4.7 million.

It is envisaged that distributions totalling c.£6.8 million will be made in October 2023 and April 2024, equating to around £121 per Partnership Share respectively for all shares in issue.

Portfolio

86.42MW
10 UK Solar Parks



The LLP currently has nine operational ground mounted solar parks in England and Wales with a combined capacity of 58.42MW. The newly acquired Harborough solar park is owned by the LLP and will be operational in early 2024.

All assets are fitted with top tier manufacturer solar panels and equipment with appropriate warranties and have long-term operation and maintenance agreements in place. Seven of the assets benefit from Renewables Obligation Certificates (ROCs) for 20 years from their accreditation date.

Output for the 12 months to 5 April 2023 was 57,178MWh, 3.5% above budget.

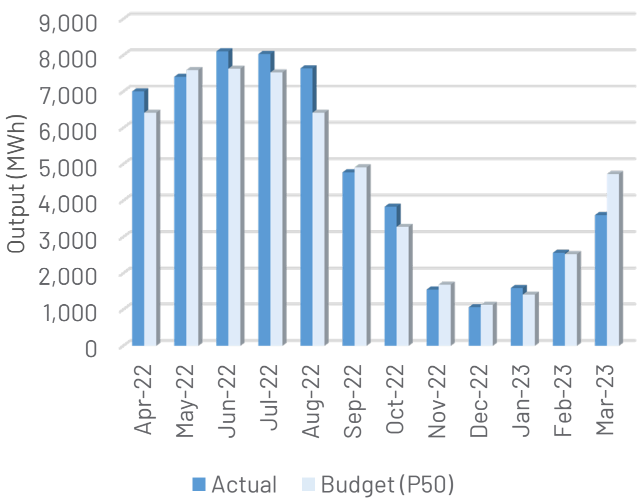
Notable site specific events over the course of the year are:

- In December 2022, Anesco noted that many modules at Askern were starting to generate late. Following module testing on site, a module warranty claim was submitted to Trina (the module manufacturer) in February 2023. Trina has now accepted the warranty claim and will be providing new panels for the whole site, which will arrive in two batches in Q3 2023 and Q1 2024 and will be installed by Anesco a string at a time to minimise downtime, when they arrive.
- In January 2023, a limited module repowering exercise was carried out at East Appleton, removing 462 Trina 260w modules and replacing with 422 UKSOL 285w modules, to replace damaged modules and create spares for the portfolio.

The assets within the portfolio have good geographic diversity and have performed well over the period.

The chart below illustrates the monthly production for the portfolio against budget over the last year.

Portfolio output by month (MWh)



Solar park	Size (MW)	P50 budget 2023/24 (MWh)	ROCs	Accreditation date
Afon Llan	10.61	10,281	n/a	n/a
Askern	4.97	4,530	1.3	August 2015
Bumpers Farm	12.00	11,469	n/a	n/a
Carditch	4.95	4,584	1.3	December 2015
East Appleton	4.98	4,641	1.3	March 2016
Harborough*	27.99	0	N/A	n/a
Higher Bye	6.79	6,550	1.4	March 2015
Oak Cottage	4.87	4,602	1.3	August 2015
Stripe	4.98	4,639	1.3	March 2016
Wymeswold	4.28	3,775	1.3	February 2016
Operational	**86.42**	**55,071**		

*operational in early 2024

LLP structure

The LLP currently owns nine operational UK solar parks and one asset under construction; eight are under direct ownership of the LLP and two are held in Gresham House Solar Generation I LLP through its 100% interest in Gresham House Solar Parks I LLP.

The Fund's audited Financial Statements are in section two.

The Financial Statements are presented on a consolidated basis as a Group, giving a total picture of the LLP's business. These include:

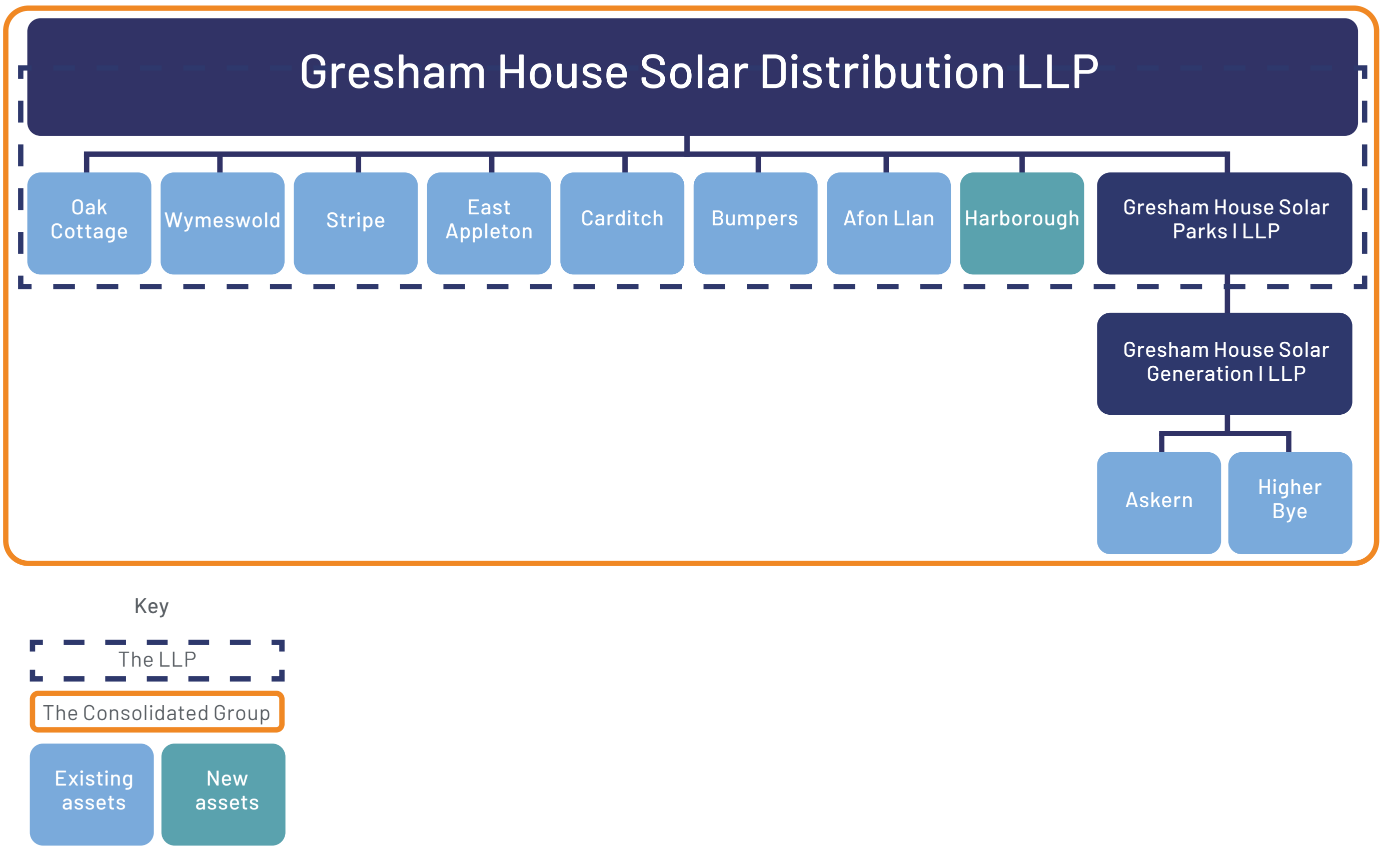
- The eight directly held solar parks; Wymeswold, Oak Cottage, East Appleton, Stripe, Carditch, Bumpers Farm, Afon Llan and Harborough.
- Askern and Higher Bye solar parks are held through the ownership of Gresham House Solar Parks I LLP. This structure was put in place to facilitate a long-term project finance arrangement that was held in the operating entity Gresham House Solar Generation I LLP. This has since been repaid with proceeds from the RCF.

The LLP Financial Statements are required under accounting standards; however, all relevant information is reported at a Group level.

The structure of the LLP and its assets as at 5 April 2023 is presented below.

The Manager seeks to simplify the group structure to improve reporting and accounting efficiency. It is expected that Askern and Higher Bye would be transferred into Gresham House Solar Distribution LLP. Thereafter Gresham House Solar Parks I LLP and Gresham House Solar Generation I LLP would be dissolved and all assets would be held under the Gresham House Solar Distribution LLP.

Since the last update, the Manager has reviewed the group structure but has not yet made any changes, the RCF matures in 2026 and is expected to be replaced with another source of debt, therefore it may be beneficial to retain the structure until long term financing is in place.



Market Review & Outlook

The cost of energy has become a widely debated subject over the last 12–18 months, since electricity costs started increasing at the start of 2022. Whilst they have fallen from their peaks, they remain elevated compared to historical levels.

The following are factors that have been driving prices in the UK energy market:

Changing mix of energy generation - Over the past decade, the UK has dramatically transformed its sources of electricity supply. In 2008, when the Climate Change Act came into law, around 80% of electricity came from fossil fuels. By 2022, the largest share of electricity came from low-carbon sources. This is set to continue with large increases in all forms of renewables being targeted.

Shift from coal to gas - Coal production in the UK has been declining since the 1960s and all coal fired power stations have either closed or are due to close by 2024. Today, around 40% of electricity is generated by gas-fired plants and 22 million households rely on gas for heating. In terms of supply, the volume of gas we extract from the North Sea reserves is falling. This leaves the UK more exposed to international gas prices, especially at this time given the Russian gas crisis.

Increase in renewable generation capacity - Renewable technologies today account for a larger share of the total electricity generated. The biggest growth area has been offshore wind, but all forms are expected to grow significantly to meet climate change targets. The biggest growth area has been offshore wind at 12GW of capacity in 2022 with the aim to grow this significantly by 2030, and close to doubling onshore wind and solar generation on the same timescales.

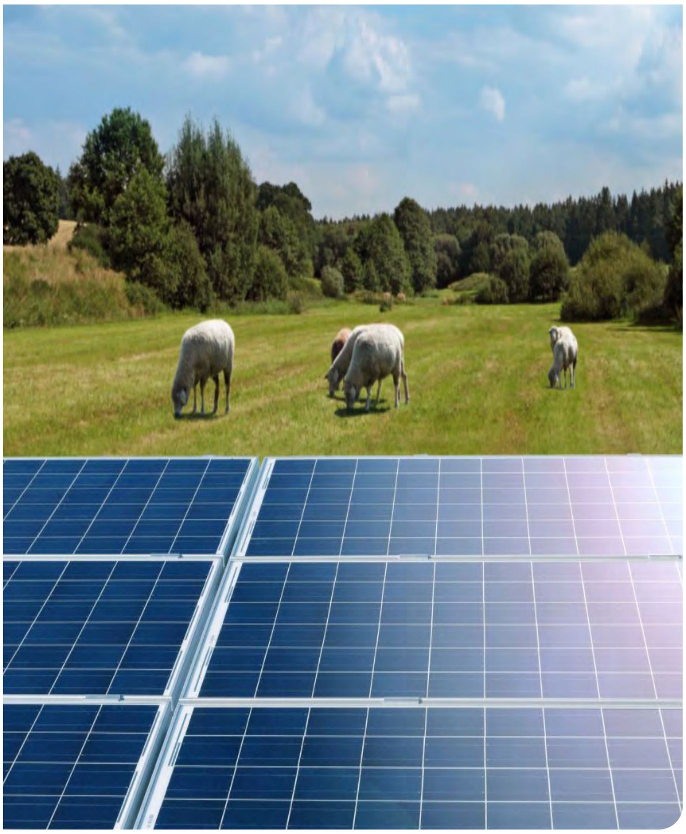
Role of low-carbon nuclear - Nuclear plays a key role in the UK's low-carbon generation mix. Unlike intermittent renewable energy, it provides continuous, predictable base load energy. However, the UK's nuclear fleet is ageing. All but one of the UK's current reactors are due to be decommissioned by 2030 and the new plant at Hinkley Point C (HPC) is not due to come online until 2027. The long-term agreed strike price for HPC is well over £100 per MWh and inflation linked for 35 years, so is set to be an expensive source of supply.

Energy storage – Energy storage is a growing sector which currently (at the end of 2022) made up 0.9% of the UK's energy mix and is essential if the UK wants to reduce its reliance on fossil fuels. Currently, there is 2.0GW of battery storage installed in the UK which is forecast to grow to 14.5GW[1] by 2030.

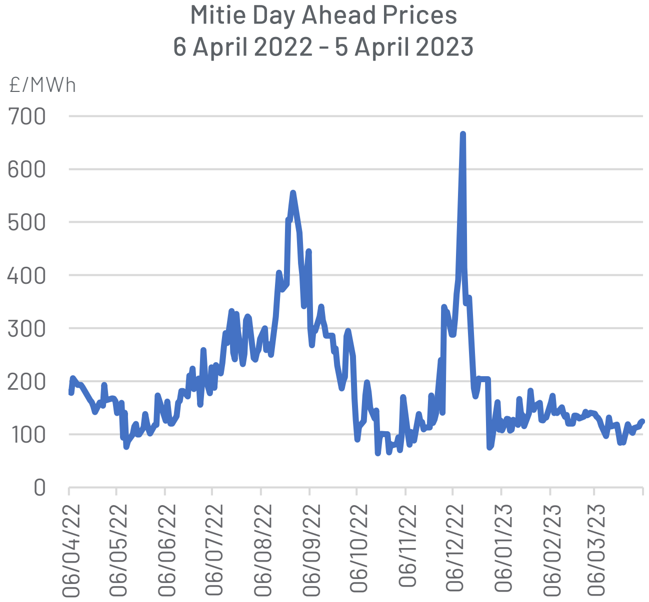
Security of supply - Historically, the UK has been relatively self-sufficient when it comes to energy, but as coal is phased out and North Sea oil and gas reserves reduce, the UK has had to import more gas. Given the current geo-political concerns, security of supply is something the UK Government wants to ensure, hence its desire to see more renewable generation and to wean the country off fossil fuel imports.

Growing supply from interconnectors - The UK also imports (or exports) electricity directly from (or to) neighbouring countries via undersea interconnectors, depending on respective power prices at home and abroad. This supply is forecast to increase over the next few years to meet growing demand and to make the whole European electricity system more robust.

Even though the UK now has a broad mix of energy sources to draw on, gas is still the dominant fuel and therefore tends to set the price for electricity. The European Union has a similar, if not greater, reliance on gas and globally there is growing demand for gas. It is this dominance that results in the value of gas influencing the price of electricity. The government is looking at how energy markets can be reformed in the future, (Review of Electricity Market Arrangements (REMA)) but this is in early stages and it is likely to take many years before any changes are implemented.



The last 12 months have seen unprecedented high electricity prices in the UK (and elsewhere), driven by low gas storage levels and high gas prices, high carbon prices, lower than normal renewables generation due to low wind speeds and the conflict and uncertainty created by Russia's invasion of Ukraine and its impact on Europe's gas supply. Electricity prices over the last 12 months have risen from their long-term historic levels of £40-£50 per MWh, and whilst there have been some periods with sharp spikes over £600 per MWh, prices in the last few months have stabilised between £100-£150 per MWh as set out in the graph below.



Source: Mitie Day Ahead Prices

Looking forward, the Manager believes the following factors support electricity prices at current levels:

- **Restricted gas supplies:** Even though gas-fired generation is responsible for approximately 40% of the UK's electricity, gas remains the most dominant fuel. This is due to its widespread domestic use, heating the majority of UK homes, as well as businesses. As well as supply from the North Sea, demand is met by liquefied natural gas (LNG) shipments. In the past, the UK could have met increasing winter demand by increasing output from the UK's own domestic supplies in the North Sea, but reserves are dwindling, so this is no longer possible;
- **Gas storage:** When the Rough Storage facility (a depleted gas field in the North Sea) was closed in 2017 because it required too much investment to keep it operational, the UK lost 70% of its gas storage capacity. In October 2022, Centrica, who own the Rough Storage facility, announced it was re-opening following significant engineering upgrades over the summer.
- **Carbon prices:** Carbon prices are likely to remain high due to the high demand as climate change commitments ramp up across Europe;
- **Unseasonal weather patterns** will continue to have an influence on the supply/demand balance;
- **Gepeopolitical tensions** with Russia, the Middle East, and China all add upwards pressure to gas prices.

Over the long term, the Manager believes that the continued increase in electrification in everything from transport to heating may still be underestimated in long-term power price forecasts, which along with other positive fundamentals, should help maintain high power prices longer term, although shorter term prices may drift lower.

The majority of the LLPs underlying renewable asset are underpinned by subsidies (Renewables Obligation Certificates (ROCs)), so whilst projects are impacted by volatile power prices, revenue is supported by inflation backed subsidies until 2037, providing substantial downside protection in these uncertain times.

Electricity Generator Levy (EGL)

In the Chancellor's Autumn Budget, announced on 17 November 2022, the Electricity Generator Levy (EGL) was introduced, which is a 45% tax on 'exceptional generation receipts' from qualifying renewable sources from 1 January 2023 for five years (to 2028). This levy is limited to groups generating more than 50GWh per annum, with a benchmark price above £75 per MWh and an allowance of £10 million, so the tax only applies to qualifying group receipts above £10 million plus £75 per MWh generated in the period. It will only apply to the power revenues and not the subsidies or ROC revenues.

The LLP is not expecting to pay any EGL as it is exempt (being an LLP) and under the revenue thresholds.

Administration

Investment objectives

The LLP is designed as a tax efficient vehicle for those wishing to invest in large-scale, ground-mounted operational solar parks.

The LLP's core objectives are:

- to distribute all surplus cash arising from operating large-scale ground mounted solar parks in the UK, after deducting working capital and debt service;
- to pay semi-annual distributions in April and October;
- to maintain a tax-efficient structure that allows for 100% Inheritance Tax (IHT) relief, in accordance with tax regulations, after holding Partnership Shares for a minimum of two years; and
- to maximise return on equity by utilising non-recourse gearing to a maximum of 30% of the LLP's Gross Asset Value (GAV).

Ongoing Charges Figure (OCF)

The OCF for the period to 5 April 2023 was 0.72% (2022: 0.50%).

The increase over the year is predominantly due to higher asset management fees, which are linked to gross revenue, which has been higher than previously due to the high power prices that the assets have received.

The budget OCF for 2023/24 is 0.85% based on the year end audited NAV, assuming 7% inflation for the year and taking asset management fees from the respective budgets, which include any power prices fixes for the year.

The OCF for the LLP should reduce as further assets are acquired, allowing external fixed costs to be spread over a larger asset base.

The OCF includes all recurring expenditure incurred by the LLP including Gresham House's annual management fees, depositary services fees, legal and professional fees, Designated Members' fees and other recurring overheads (e.g. audit and tax compliance).

The OCF excludes any non-recurring expenditure including fund promotion, transaction and sales fees.

Advisory Committee

The Advisory Committee is made up of four Members. Three Members or representatives of Members have been appointed. In addition, the Manager has appointed one representative of the Manager to serve as a non-voting Member and as Chairman of the Advisory Committee.

The Manager will consult the Advisory Committee on issues as required under the Limited Liability Partnership Agreement (LLPA). Where there is a potential conflict of interest, the Manager is not able to continue with a course of action unless the Advisory Committee waives the potential conflict of interest.

The Advisory Committee was approached during the period to waive a potential conflict of interest of acquiring Harborough by a party related to the Manager. Following the memorandum dated 26 August 2022, the Advisory Committee waived the potential conflict of interest.

Liquidity

Gresham House has an established procedure for arranging deals between willing vendors and willing purchasers in vehicles it manages. This service is available to Shareholders wishing to realise part or all of their shareholding in the LLP.

Gresham House markets the shares being sold by existing Shareholders via email for a period of one week. All Shareholders are entitled to bid for the shares.

Bids can be submitted by email to sharetransactions@greshamhouse.com and should detail the level of shareholding the bid is for and the price per share offered. Gresham House presents all bids to the vendor following the closing date and will inform bidders on whether their offer is successful or not once the vendor has informed Gresham House of their decision. Successful bidders will be sent completion documents and a payment request, with payment due within two weeks of the closing date.

During the period 2,000 Shares were offered for sale. The share sale (dated 28 February 2023) achieved a weighted average price of £1,188 per share (4.09% above NAV (£1,141) and the sale was x2.09 oversubscribed.

LLP Duration

The LLP has set termination dates:

First Termination Date	5 April 2030
Second Termination Date	5 April 2035
Third Termination Date	5 April 2040
Final Termination Date	5 April 2046

There is a right for Members to vote to extend the LLP prior to each termination date, subject to 75% by value of those voting being in favour of continuing.

A vote to continue the LLP will be held at the AGM following the years ending 5 April 2029, 2034, 2039 and, if required, 2045.

Valuation

The LLP's portfolio of assets are subject to independent external valuations every two years. Jones Lang LaSalle Limited (JLL) carried out an independent valuation as at 5 April 2023.

The assets in the LLP's portfolio were valued as at 5 April 2023 at £64.1 million.

Annual General Meeting (AGM)

This year's AGM will be held on 4 July 2023. The AGM, to review the investment performance of the LLP, will be held virtually via Microsoft Teams. Details have been circulated to those Members who have registered in accordance with the AGM Notice.

Taxation and National Insurance Contributions (NICs)

Capital allowances

The Manager will claim capital allowances on behalf of the LLP to the extent required to offset taxable profits. This retains the value of these capital allowances in the LLP for the longest timeframe possible. Enhanced capital allowances from Harborough are expected to help offset a greater degree of taxable profit from the LLP in the coming years.

Obligation to register your interest in the LLP with HMRC

If they have not already done so, Members should register their interest in the LLP with HMRC. This can be done using form SA401, registering online or by telephone. The LLP's Unique Tax Reference (UTR) number is 42761 91685.

Taxable income statements for the 2022/23 tax year

Taxable income statements for the tax year ended 5 April 2023 will be issued in July/August 2023.

Taxable income is expected to arise in the year, as stated in the distribution letter issued on 25 April 2023. Due to higher wholesale prices experienced in the year, the profits of the LLP were higher than expected. After deduction of capital allowances, there is taxable income in the 2022/23 tax year. This will be allocated to Members and is expected to be in the region of £50 to £60 per share. The amount of tax payable will depend on your personal circumstances.

NICs

If you are over state retirement age for the whole of the 2022/23 tax year you will have no liability to pay NICs. If you are below the state retirement age, due to the level of taxable profits which are subject to NICs, Gresham House does not anticipate any Member will be liable for NICs solely due to their holding in the LLP.

Consumer Duty

The Financial Conduct Authority (FCA) has introduced the concept of Consumer Duty, the rules and principles of which come into effect in July 2023. Consumer Duty is an advance on the existing concept of 'treating customers fairly' and looks to ensure good outcomes for purchasers of investment products.

In our role as promoter of and Investment Manager to the LLP, it is Gresham House, and any other FCA regulated parties associated with your investment to in the LLP, that must uphold the principles behind Consumer Duty. To that end, the Manager is working with Gresham House to review the information that should be provided to assist investors and their advisers to discharge their obligations under Consumer Duty.

Alternative Investment Fund Managers Directive (AIFMD)

The LLP is classified as an Alternative Investment Fund (AIF) under AIFMD. The main implication of this classification is that IQ-EQ Depositary Company Limited (IQ-EQ) has been appointed to provide Depositary Services. IQ-EQ provide independent governance, oversight and cash monitoring services to the LLP as required by AIFMD.

The Manager is authorised and regulated by the Financial Conduct Authority and has appropriate authorisations in place to operate the LLP.

Website

As Shareholders in the LLP you are able to obtain details of your Shareholdings via the link below:

https://secureclientportal.greshamhouse.com

If you have not already registered to use the client portal, please complete the registration process.

Shareholder satisfaction

Please do not hesitate to contact a member of the Management Team if you wish to discuss your investment or provide any feedback on this report. The LLP is committed to ensuring the needs and expectations of their Shareholders are met at all times and would therefore welcome any suggestions to improve its service delivery.

James Armstrong

Signed by James Armstrong
Fund Manager

30 June 2023

Sustainable Investment Policy

Meeting our Sustainable Investment commitments within our New Energy strategy

Gresham House has a clear commitment to sustainable investment as an integral part of its business mission. The purpose of this document is to set out the manner in which the commitments we have made at a group level to integrate ESG considerations throughout our business will be implemented within our New Energy investment strategy.

Our New Energy investments are focused on three technologies: Wind, Solar and Battery Energy Storage. The strategy supports the shift from a world powered by finite resources to a new energy world powered by renewables in what is a rapidly changing energy landscape.

- We take steps to consult and understand the views, concerns and ambitions of our stakeholders in seeking sustainable outcomes from the investments we are involved in.
  - We include sustainable investing as an agenda item on a periodic basis in meetings with clients.
- We integrate Environmental, Governance, Social and Economic benefit considerations into our selection, evaluation, governance and engagement processes across the lifecycle of each investment.
  - Our New Energy investment strategy aligns with national and international goals to decarbonise energy generation and supports the move to a low-carbon economy as a transition to a net-zero scenario. It also supports local and national resilience in energy supply.
  - Our investments in assets are long-term and, where possible, we improve the value and lifespan of assets though extension of permissions and licences and the adoption of technology that increases and/or optimises renewable energy output without materially increasing land use or environmental impact.
  - We participate in community-led initiatives in order to contribute towards the local economy, help to improve biodiversity, and keep an open forum of communication with community stakeholders.
- We drive rigour and consistency by applying our sustainable investment framework and system, including clearly defined processes and expert tools and methods.
  - We have a clear understanding of the sensitivities, issues and opportunities to be managed across the investments in our portfolio and have a process to profile and prioritise these at the stages of the investment lifecycle where they are most relevant. Our sustainable investment framework (see next page) is used to structure our processes for completeness and consistency.
  - We screen all assets prior to acquisition using our proprietary ESG Decision Tool to ensure ESG considerations - both risks and opportunities - are fully assessed prior to investment. Where we decide to proceed with the investment, material ESG factors identified will be addressed as part of the management plan.
- We ensure our team understands the imperative for effective ESG management and is empowered and equipped to carry this out through management support and training.
  - Our team has significant expertise across the renewable energy investment cycle, spanning pre-construction requirements, construction phase, operation and wider marketplace impact, including regulation, legislation and policy change. We will continue to invest in developing our understanding, expertise and good practice in sustainable energy asset selection and management.
  - Prior to investment, we will review and take heed of the environmental aspects of an asset, in particular the Environmental Impact Assessment where relevant, and any other technical studies required to gain planning permission, as well as the process for public consultation. Opportunities for enhancing the environmental benefits and minimising the environmental impact of projects is often assessed as part of this process, through Habitat Management Plans and in line with planning requirements. If done, this analysis will form part of our investment decision making, alongside other due diligence reports.
  - Prior to investment and as part of ongoing asset management, we also consider the social impacts of our assets including supply chain risks and opportunities and engagement with stakeholders such as local communities. The safety of employees and contractors is of paramount importance for all our assets and is a key focus for ongoing management and monitoring. We will act to minimise any social risks and ensure compliance with relevant policies.
  - We retain long-standing trusted advisers who understand our commitments and needs and help us to deliver our goals, whilst maintaining our assets, and ultimately our long-term investment.

- We conduct regular monitoring of ESG risks, opportunities and performance in our investments and over time will prepare comparative data analysis for reporting to our investors.
  - We will re-assess our ESG risk, opportunity and performance profiling periodically and will report this to the Sustainability Executive Committee for analysis and action as necessary.
  - We actively monitor and assess key data related to sustainable energy generation and the wider sustainability performance of the assets we manage. In turn, we use these to review our contribution to sustainable development, particularly meeting the challenge of climate change and relevant Sustainable Development Goals.
  - Regular auditing will be carried out by the Sustainable Investment Team to ensure ESG processes applied by investment teams meet those laid out in this document and remain appropriate.
  - We conduct our business activities in line with the UN-supported Principles for Responsible Investment (PRI), including an annual report of our progress towards implementation.
  - As signatories to the PRI we will complete comprehensive annual reporting within its required framework and use this to guide our own internal assessment of our performance and to drive our results upwards.
  - We will continue to provide and promote renewable energy investments as a sound and accessible sustainable investment option to a wide range of investors.

Group Management commitment

Our senior management team, including the Board and the Group Management Committee, are committed to the implementation of this policy and to making appropriate resources and support available to our team to do so. We will conduct a regular review of our approach and how well we are meeting our commitments and update this policy accordingly.

UN Sustainable Development Goals (SDG)

Gresham House supports the UN Sustainable Development Goals.

Taking the wider portfolio into account, we believe our New Energy strategy contributes to the following UN Sustainable Development Goals:

Sustainable Investment Framework application

Our thematic framework is used to structure analysis, monitoring and reporting of ESG issues and opportunities within the lifecycle of our New Energy investments as an aid to more consistent integration. We use expert tools to profile our prospective investments to identify the most material themes within the broader framework and where we believe we should be directing our focus towards more sustainable outcomes:

Environmental		
Climate change and pollution	**Natural capital**	**Waste management**
Optimal contribution to low carbon energy generation in the UK	Visual impact and biodiversity management	Waste reduction and sustainable management of waste in construction, operation and decommissioning

Social			
Employment, health, safety and well-being	**Marketplace responsibility**	**Supply chain sustainability**	**Community care and engagement**
First class H&S system; site safety policy	Maximum uptime and minimal local disruption	Robust policy relating to materials impact, quality and ethics	Good practice consultation; local investment strategy

Governance		
Governance and ethics	**Risk and compliance**	**Commitment to sustainability**
Governance good practice; strong business ethics management and culture	Robust risk and compliance management	Continuing enhancement of the portfolio and its impacts

Report of the Members

The Members present their report with the LLP and Group financial statements of the LLP for the year ended 5 April 2023.

Principal activity

The Group's principal activity in the year under review was that of the sale of electricity generated from solar parks.

Designated Members

The Designated Members during the year under review were:

- Gresham House Solar Distribution Designated Member 1 Limited
- Gresham House Solar Distribution Designated Member 2 Limited

Results for the year and allocation to members

The profit for the year before Members' remuneration and profit shares was £4,650,886 (2022 - £1,630,018).

Members' interests

The Designated Members shall be entitled to receive as a first charge on the profits of the LLP in respect of such accounting period, a priority share of the profits. The Designated Members shall be entitled to a fixed annual share of £5,000, subject to annual indexation with reference to RPI from the date of the Limited Liability Partnership Agreement.

All of the LLP's net income, net income losses, capital gains and capital losses remaining after the allocation of the Designated Members share shall be allocated to the Members in proportion to their pro rata shares.

Losses of subsidiary LLP's are borne by those LLPs and are not allocated to Members. On consolidation these losses are debited to a retained loss account.

Statement of Members' responsibilities

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

Legislation applicable to limited liability partnerships requires the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under legislation applicable to limited liability partnerships the Members 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 LLP and of the profit or loss of the LLP for that period.

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

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

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the Members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each Member has taken all the steps that he ought to have taken as a Member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

Auditors

The auditors, Magma Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

On behalf of the Members

Stephen Beck

Gresham House Solar Distribution Designated Member 1 Limited - Designated Member

28 June 2023

Independent Auditor's Report

Opinion

We have audited the financial statements of Gresham House Solar Distribution LLP (the 'LLP') and its subsidiaries (the 'group') for the year ended 5 April 2023 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, LLP Balance Sheet, Consolidated Reconciliation of Members' Interests, LLP Reconciliation of Members' Interests, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and LLP's affairs as at 5 April 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 UK, including 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 Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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 Members with respect to going concern are described in the relevant sections of this report.

Other information

The Members are responsible for the other information. The other information comprises the information in the Report of the Members, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the Statement of Members' Responsibilities set out on page 15, the Members 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 Members determine 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 Members are responsible for assessing the group's and the LLP'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 Members either intend to liquidate the group or the LLP 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Based on our understanding of the Group and the industry, we identified the principle risks of non-compliance with laws and regulations, and considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the requirements of the Statement of Recommended Practice applicable to Limited Liability Partnerships. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principle risks were related to posting inappropriate journal entries, and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation, and fraud;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, or with unusual descriptions; and
- challenging assumptions made by management in their significant accounting estimates, such as those used to value tangible fixed assets, investments, derivatives and decommissioning provisions.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

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 Report of the Auditors.

Use of our report

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Original Signed

Victoria Craig
Senior Statutory Auditor

For and on behalf of:

Magma Audit LLP, Chartered Accountants
Statutory Auditor
Magma House
16 Davey Way
Rugby
CV23 0UZ

Date: 28 June 2023

02

Financial Statements

LLP Statement of Financial Position
5 April 2023

	Notes	2023 (£)	2022 (£)
Fixed Assets			
Tangible assets	8	48,869,023	44,517,986
Investments	9	16,721,111	17,760,358
		65,590,134	**62,278,344**
Current Assets			
Debtors	10	7,208,570	7,933,390
Cash at bank	11	10,137,446	11,732,359
		17,346,016	**19,665,749**
Creditors			
Amounts falling due within one year	12	(1,391,523)	(1,501,571)
Net current assets		**15,954,493**	**18,164,178**
Total assets less current liabilities		81,544,627	80,442,522
Creditors			
Amounts falling due after more than one year	13	(8,248,555)	(9,445,375)
Provisions for liabilities	18	(276,032)	(276,032)
Net Assets attributable to Members		**73,020,040**	**70,721,115**
Loans and other debts due to Members		-	-
Members' other interests			
Capital accounts		60,085,957	60,098,457
Revaluation reserve		12,934,083	10,622,658
		73,020,040	**70,721,115**
Total Members' Interests			
Members' other interests		73,020,040	70,721,115
Amounts due from Members	10	(6,382,462)	(4,878,080)
		66,637,578	**65,843,035**

The financial statements were approved by the Members of the LLP and authorised for issue on 28 June 2023 and were signed by:

Gresham House Solar Distribution Designated Member 1 Limited - Designated Member

Consolidated Income Statement for the year ended 5 April 2023

	Notes	2023 (£)	2022 (£)
Turnover	3	9,105,997	5,531,669
Cost of sales		(553,043)	(442,490)
Gross profit		**8,552,954**	**5,089,179**
Administrative expenses		(3,734,748)	(3,483,059)
		4,818,206	**1,606,120**
Other operating income		9,827	-
Gain on revaluation of fixed assets		-	293,040
Operating profit	5	**4,828,033**	**1,899,160**
Loss on revaluation of financial instruments		-	49,505
		4,828,033	**1,948,665**
Interest payable and similar expenses	6	(177,147)	(318,647)
Profit for the financial year before Members' remuneration and profit shares		**4,650,886**	**1,630,018**
Members' remuneration charged as an expense	7	(4,650,886)	(1,630,018)
Loss for the financial year available for discretionary division among Members		-	-

Consolidated other Comprehensive Income for the year ended 5 April 2023

	Notes	2023 (£)	2022 (£)
Loss for the financial year available for discretionary division among members		-	-
Other comprehensive income			
Gain on fixed asset revaluation		2,311,425	4,845,323
Other comprehensive income for the year		2,311,425	4,845,323
Total comprehensive income for the year		2,311,425	4,845,323

Consolidated Statement of Financial Position for the year ended 5 April 2023

	Notes	2023 (£)	2022 (£)
Fixed assets			
Tangible assets	8	64,226,194	60,806,197
Current Assets			
Debtors	10	7,118,748	8,273,885
Cash at bank	11	10,988,329	12,214,251
		18,107,077	**20,488,136**
Creditors			
Amounts falling due within one year	12	(698,575)	(766,255)
Net current assets		**17,408,502**	**19,721,881**
Total assets less current liabilities		81,634,696	80,528,078
Creditors			
Amounts falling due after more than one year	13	(8,248,555)	(9,445,375)
Provisions for liabilities	18	(362,604)	(358,091)
Net assets attributable to Members		**73,023,537**	**70,724,612**
Loans and other debts due to Members		-	-
Members' other interests			
Capital accounts		60,085,956	60,098,456
Revaluation reserve		13,290,700	10,979,275
Other reserves		(353,119)	(353,119)
		73,023,537	**70,724,612**
Total Members' Interests			
Members' other interests		73,023,537	70,724,612
Amounts due from Members	10	(5,933,291)	(4,879,746)
		67,090,246	**65,844,866**

The financial statements were approved by the Members of the LLP and authorised for issue on 28 June 2023 and were signed by:

S. Hil

Gresham House Solar Distribution Designated Member 1 Limited - Designated Member

Consolidated Reconciliation of Members' Interests for the year ended 5 April 2023

	Equity Members' other interests			
	Members' capital (classified as equity) (£)	Revaluation reserve (£)	Other reserves (£)	Total (£)
Balance as 6 April 2022	**60,098,456**	**10,979,275**	**(353,119)**	**70,724,612**
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-	-
Profit for the financial year available for discretionary division among Members	-	-	-	-
Members' interests after profit for the year	60,098,456	10,979,275	(353,119)	70,724,612
Gain on revaluation of fixed assets	-	2,311,425	-	2,311,425
Drawings	(12,500)	-	-	(12,500)
Balance at 5 April 2023	**60,085,956**	**13,290,700**	**(353,119)**	**73,023,537**

	Debt Loans and other debts due to Members less any amounts due from Members in debtors	Total Members' interests
	Other amounts (£)	Total (£)
Amounts due to Members	-	-
Amounts due from Members	(4,879,746)	-
Balance at 6 April 2022	**(4,879,746)**	**65,844,866**
Members' remuneration charged as an expense, including employment and retirement benefit costs	4,650,886	4,650,886
Profit for the financial year available for discretionary division among Members	-	-
Members' interests after profit for the year	(228,860)	70,495,752
Gain on revaluation of fixed assets	-	2,311,425
Drawings	(5,704,431)	(5,716,931)
Amount due to Members	-	
Amount due from Members	(5,933,291)	
Balance at 5 April 2023	**(5,933,291)**	**67,090,246**

	Members capital (classified as equity) (£)	Equity Members' other interests Revaluation reserve (£)	Other reserves (£)	Total (£)
Balance as 6 April 2021	**48,447,261**	**6,133,952**	**(353,119)**	**54,228,094**
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-	-
Loss for the financial year available for discretionary division among Members	-	-	-	-
Members' interests after loss for the year	48,447,261	6,133,952	(353,119)	54,228,094
Gain on revaluation of fixed assets	-	4,845,323	-	4,845,323
Introduced by Members	11,651,195	-	-	11,651,195
Drawings	-	-	-	-
Balance at 5 April 2022	**60,098,456**	**10,979,275**	**(353,119)**	**70,724,612**

	Debt Loans and other debts due to Members less any amounts due from Members in debtors Other amounts (£)	Total Members' interests Total (£)
Amounts due to Members	-	-
Amounts due from Members	(3,346,804)	-
Balance at 6 April 2021	**(3,346,804)**	**50,881,290**
Members' remuneration charged as an expense, including employment and retirement benefit costs	1,630,018	1,630,018
Loss for the financial year available for discretionary division among Members	-	-
Members' interests after profit for the year	(1,716,786)	52,511,308
Gain on revaluation of fixed assets	-	4,845,323
Introduced by Members	-	11,651,195
Drawings	(3,162,960)	(3,162,960)
Amount due to Members	-	-
Amount due from Members	(4,879,746)	-
Balance at 5 April 2022	**(4,879,746)**	**65,844,866**

LLP Reconciliation of Members' Interests for the year ended 5 April 2023

	Members capital (classified as equity) (£)	Other reserves (£)	Total (£)
Balance as 6 April 2022	**60,098,457**	**10,622,658**	**70,721,115**
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among Members	-	-	-
Members' interests after profit for the year	60,098,457	10,622,658	70,721,115
Gain on revaluation of fixed assets	-	2,311,425	2,311,425
Drawings	(12,500)	-	(12,500)
Balance at 5 April 2023	**60,085,957**	**12,934,083**	**73,020,040**

	Debt	Total
	Loans and other debts due to Members less any amounts due from Members in debtors	Members' interests
	Other amounts (£)	Total (£)
Amounts due to Members	-	
Amounts due from Members	(4,878,080)	
Balance at 6 April 2022	**(4,878,080)**	**65,843,035**
Members' remuneration charged as an expense, including employment and retirement benefit costs	4,200,049	4,200,049
Profit for the financial year available for discretionary division among Members	-	-
Members' interests after profit for the year	(678,031)	70,043,084
Loss / (gain) on revaluation of fixed assets	-	2,311,425
Drawings and distribution of profits	(5,704,431)	(5,716,931)
Amount due to Members	-	
Amount due from Members	(5,704,431)	
Balance at 5 April 2023	**(5,704,431)**	**66,637,578**

	Equity Members' other interests		
	Members' capital (classified as equity) (£)	Other reserves (£)	Total (£)
Balance as 6 April 2021	**48,447,261**	**5,957,335**	**54,404,597**
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among Members	-	-	-
Members' interests after profit for the year	48,447,261	5,957,335	54,404,597
Gain on revaluation of fixed assets	-	4,665,323	4,665,323
Introduced by Members	11,651,195	-	11,651,195
Drawings	-	-	-
Balance at 5 April 2022	**60,098,456**	**10,622,658**	**70,721,115**

	Debt Loans and other debts due to Members less any amounts due from Members in debtors Other amounts (£)	Total Members' interests Total (£)
Amounts due to Members	-	
Amounts due from Members	(3,345,138)	
Balance at 6 April 2021	**(3,345,138)**	**51,059,458**
Members' remuneration charged as an expense, including employment and retirement benefit costs	1,630,018	1,630,018
Profit for the financial year available for discretionary division among Members	-	-
Members' interests after profit for the year	(1,715,120)	52,689,477
Gain on revaluation of fixed assets	-	4,665,323
Introduced by Members	-	11,651,195
Drawings	(3,162,960)	(3,162,960)
Amount due to Members	-	
Amount due from Members	(4,878,080)	
Balance at 5 April 2022	**(4,878,080)**	**65,843,035**

Consolidated Cash Flow Statement for the year ended 5 April 2023

	Notes	2023 (£)	2022 (£)
Cash flows from operating activities			
Cash generated from operations	1	9,195,732	3,956,935
Interest paid		(177,147)	(325,483)
Net cash from operating activities		**9,018,585**	**3,631,452**
Cash flows from operating activities			
Purchase of tangible fixed assets		(3,330,756)	(6,075,533)
Disposal of tangible fixed assets		-	13,230
Net cash from investing activities		**(3,330,756)**	**(6,062,303)**
Transactions with Members and former Members			
Payment to Members		(5,716,931)	(3,162,960)
Contributions by Members		-	9,151,750
Cash flows from other financing activities			
Crystallisation of swap		-	(760,260)
Loan received in year		-	9,730,000
Loan repayments in year		(1,196,820)	(7,353,029)
Net cash from financing activities		**(6,913,751)**	**(7,605,501)**
Increase/(decrease) in cash and cash equivalents		(1,225,922)	5,174,650
Cash and cash equivalents at beginning of year	2	**12,214,251**	**7,039,601**
Cash and cash equivalents at end of year	2	**10,988,329**	**12,214,251**

Notes to the Consolidated Cash Flow Statement for the year ended 5 April 2023

1 Reconciliation of loss for the financial year available for discretionary division among Members to cash generated from operations

	2023 (£)	2022 (£)
Loss for the financial year available for discretionary division among Members	-	-
Members' remuneration charged as an expense	4,650,886	1,630,018
Depreciation charges	2,222,184	2,046,617
(Gain) / loss on revaluation of fixed assets	–	(342,545)
Amortised arrangement fees	–	-
Finance costs	177,147	325,483
	7,050,217	**3,659,574**
Decrease/(increase) in trade and other debtors	2,208,682	(232,460)
(Decrease)/increase in trade and other creditors	(67,680)	490,581
(Decrease)/increase in provisions	4,513	39,240
Cash generated from operations	**9,195,732**	**3,956,935**

2 Cash and cash equivalents

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts:

Year ended 5 April 2023	5 April 2023 (£)	6 April 2022 (£)
Cash and cash equivalents	10,988,329	12,214,251

Year ended 5 April 2022	5 April 2022 (£)	6 April 2021 (£)
Cash and cash equivalents	12,214,251	7,039,601

3 Analysis of changes in net funds

	At 6 April 2022 (£)	Cash flow (£)	At 5 April 2023 (£)
Net Cash			
Cash at bank	12,214,251	(1,225,922)	10,988,329
Debts			
Debts falling due after 1 year	(9,445,375)	1,196,820	(8,248,555)
Net funds	**2,768,876**	**(29,102)**	**2,739,774**

Notes to the Financial Statements for the year ended 5 April 2023

1 Statutory information

Gresham House Solar Distribution LLP (OC402255) is a Limited Liability Partnership registered in England and Wales. Its registered office is Glebe Barn, Great Barrington, Burford, OX18 4US.

2 Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

The financial statements are presented in Sterling (£).

Basis of consolidation

The group consolidated financial statements include the financial statements of the LLP and all of its subsidiary undertakings.

A subsidiary is a controlled entity of the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party exemption

The LLP has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

Turnover

Turnover represents the fair value of the consideration received or receivable for goods rendered during the period, exclusive of Value Added Tax, derived from the generation of electricity.

In the case of 'Brown' energy and revenue on Renewable Obligation Certificates (ROCs), revenue is recognised in the month of generation.

Tangible fixed assets

Tangible assets are initially stated at cost, where cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Finance costs are included in the cost of tangible assets when they are directly attributable to the construction of tangible fixed assets.

They are subsequently carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of each reporting period.

Depreciation is provided at the following annual rates in order to write off each asset, net of anticipated disposal proceeds, over its estimated useful economic life.

Depreciation is charged at the following rates:

- plant and machinery - Period remaining over the lease following revaluation.

Expenditure on construction of tangible fixed assets is included in 'Assets under construction', at cost, until the asset is brought into use at which point it is transferred to the appropriate fixed asset category and depreciated over its expected useful economic life. Such costs include all costs directly attributable to bringing the tangible fixed asset into working condition for the intended use.

No depreciation is charged on assets under construction.

Investments in subsidiaries

Fixed asset investments are held at fair value, with any movement being reflected through the statement of other comprehensive income in the year to which it relates.

Financial instruments

The LLP has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including other debtors and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

(ii) Financial liabilities

Basic financial liabilities, including trade creditors and other creditors 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.

Members loan (being repayable on demand), trade debtors and trade creditors are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Non-basic financial liabilities, including derivatives, are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the income statement in finance costs or finance income as appropriate.

Leasing commitments

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the member's agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

All net income, net losses, capital gain and capital losses of the LLP are divided automatically and allocated in accordance to the members agreement and therefore such profits are classed as an expense through the profit and loss rather than an appropriation of equity.

The losses of the LLP shall, with effect from commencement date, be borne equally by the members.

All amounts due to the members that are classified as liabilities are presented in the balance sheet within 'Loans and other debt due to members' and are charged to profit and loss account within 'Members' remuneration charged as an expense. Amounts due to members that are classified as equity are shown in the balance sheet within 'Members' other interests'.

Provisions

Provision is made for the net present value of the estimated future decommissioning costs at the end of the operating life of the solar parks. The provision is calculated using estimated costs of decommissioning, and these estimates have been arrived at by consideration of the expected costs of contracts to remove the installed plant.

A corresponding asset is recognised and included within the solar park assets and is depreciated over the life of the solar park. The estimated future cost of decommissioning obligations are regularly reviewed and adjusted as appropriate for new circumstances or changes in law or technology.

Taxation

Taxation payable on LLP profits is the liability of individual members.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives and fair value of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Due to the specialised nature of the fixed assets there is no market based evidence of their fair value, and therefore the fair value is estimated using an income approach. The key assumption used in valuing the fixed assets is the associated weighted average cost of capital.

(ii) Fair value of investments

The members measure fixed asset investments at fair value, which is determined by reference to the capital and reserves held in the investment at the reporting date.

(iii) Provisions

Provision is made for asset decommissioning obligations, dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements.

3 Turnover

The turnover and profit for the financial year before members' remuneration and profit shares are attributable to the one principal activity of the LLP.

An analysis of turnover by class of business for the year ended 5 April 2023 is given below:

	2023 (£)	2022 (£)
Generation of electricity	9,105,997	5,531,669
	9,105,997	**5,531,669**

An analysis of turnover by geographical market is given below:

	2023 (£)	2022 (£)
United Kingdom	9,105,997	5,531,669
	9,105,997	**5,531,669**

4 Employee information

There were no staff costs for the year ended 5 April 2023 nor for the year ended 5 April 2022.

There was no key management compensation payable in the current or prior year.

5 Operating profit

The operating profit is stated after charging:

	2023 (£)	2022 (£)
Other operating leases	389,218	309,480
Depreciation - owned assets	2,222,184	2,046,617
Auditors' remuneration	31,320	26,100

6 Interest payable and similar expenses

	2023 (£)	2022 (£)
Bank loan interest	177,147	318,647

7 Information in relation to Members

	2023 (£)	2022 (£)
Members' remuneration charged as an expense	4,650,886	1,630,018
Remuneration attributable to the member with the largest entitlement	1,628,637	570,796

	2023	2022
The average number of Members during the year was	146	145

8 Tangible fixed assets

Group

	Plant and machinery (£)	Assets under construction (£)	Totals (£)
Cost or valuation			
At 6 April 2022	60,929,288	-	60,929,288
Additions	130,200	3,200,556	3,330,756
Revaluations	171,189	-	171,189
At 5 April 2023	**61,230,677**	**3,200,556**	**64,431,233**
Depreciation			
At 6 April 2022	123,091	-	123,091
Charge for uear	2,222,184	-	2,222,184
Revaluation adjustments	(2,140,236)	-	(2,140,236)
At 5 April 2023	**205,039**	**-**	**205,039**
Net book value			
At 5 April 2023	**61,025,638**	**3,200,556**	**64,226,194**
At 5 April 2022	60,806,197	-	60,806,197

Cost or valuation at 5 April 2023 is represented by

	Plant and machinery
Cost	57,781,273
Valuation in 2018	2,352,126
Valuation in 2019	946,588
Valuation in 2020	(3,484,819)
Valuation in 2021	44,444
Valuation in 2022	3,214,837
Valuation in 2023	171,189
	61,025,638

LLP

	Plant and machinery (£)	Assets under construction (£)	Totals (£)
Cost or valuation			
At 6 April 2022	44,641,077	-	44,641,077
Additions	130,200	3,200,556	3,330,756
Revaluations	1,102,229	-	1,102,229
At 5 April 2023	**45,873,506**	**3,200,556**	**49,074,062**
Depreciation			
At 6 April 2022	123,091	-	123,091
Charge for year	1,761,142	-	1,761,142
Revaluation adjustments	(1,679,194)	-	(1,679,194)
At 5 April 2023	**205,039**	**-**	**205,039**
Net book value			
At 5 April 2023	**45,668,467**	**3,200,556**	**48,869,023**
At 5 April 2022	44,517,986	-	44,517,986

Cost or valuation at 5 April 2023 is represented by

	Plant and machinery
Cost	42,638,722
Valuation in 2018	2,810,655
Valuation in 2019	(161,151)
Valuation in 2020	(2,323,470)
Valuation in 2021	(811,245)
Valuation in 2022	2,412,727
Valuation in 2023	1,102,229
	45,668,467

9 Fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 6 April 2022	17,760,358
Loan repayments	(569,249)
Revaluations	(469,998)
At 5 April 2023	**16,721,111**
Net book value	
At 5 April 2023	**16,721,111**
At 5 April 2022	17,760,358

Cost or valuation at 5 April 2023 is represented by:

	Shares in group undertakings £
Cost	14,170,388
Valuation in 2019	1,270,247
Valuation in 2020	(188,338)
Valuation in 2021	1,005,203
Valuation in 2022	933,609
Valuation in 2023	(469,998)
	16,721,111

Fixed asset investments comprise of share in group undertakings amounting to £9,890,101 (2022: £10,360,099) and loans to subsidiaries amounting to £6,831,008 (2022: £7,400,259).

The LLP's investments at the Balance Sheet date in the share capital of companies include the following:

Gresham House Solar Parks I LLP

Registered office: Glebe Barn, Great Barrington, Burford, OX18 4US

Nature of business: Holding company

	%
Class of shares:	holding
Partnership capital	100.00

Gresham House Solar Generation I LLP

Registered office: Glebe Barn, Great Barrington, Burford, OX18 4US

Nature of business: Operation of solar parks

	%
Class of shares:	holding
Partnership capital	100.00

10 Debtors: Amounts falling due within one year

	Group		LLP	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	168,565	179,491	49,999	45,696
Amounts due from members	5,933,291	4,879,746	6,382,462	4,878,080
Other debtors	240,783	2,499,495	–	2,499,445
Prepayments and accrued income	776,109	715,153	776,109	510,169
	7,118,748	**8,273,885**	**7,208,570**	**7,933,390**

11 Cash at bank

	Group		LLP	
	2023 £	2022 £	2023 £	2022 £
Cash at bank and in hand	10,988,329	12,214,251	11,732,359	11,732,359

12 Creditors: Amounts falling due within one year

	Group		LLP	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	82,392	154,469	55,626	149,914
Amounts owed to group undertakings	–	–	846,231	846,231
VAT	269,875	148,538	183,955	77,845
Other creditors	20,496	7,034	11,825	–
Accruals and deferred income	325,812	456,214	293,886	427,581
	698,575	**766,255**	**1,391,523**	**1,501,571**

13 Creditors: Amounts falling due after more than one year

	Group		LLP	
	2023 £	2022 £	2023 £	2022 £
Bank loans	8,248,555	9,445,375	8,248,555	9,445,375

14 Loans

An analysis of the maturity of loans is given below:

	2023 (£)	2022 (£)
Amounts falling due between two and five years		
Bank loans due in 2-5 years	8,248,555	9,445,375

The Group has a bank loan with Virgin Money, repayable in full in 2026. The interest rate is 2.3% plus Bank of England base rate. The balance on the loan at the year end is £8,248,555 (2022: £9,445,375).

Arrangement fees capitalised against the loan balance, and amortised over the life of the loan are £126,954 (2022: £126,954).

15 Leasing agreements

Group

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 (£)	2022 (£)
Within one year	424,078	355,093
Between one and five years	1,539,093	1,374,200
In more than five years	7,148,098	6,508,171
	9,111,269	**8,237,464**

LLP

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 (£)	2022 (£)
Within one year	329,794	272,029
Between one and five years	1,161,955	1,041,945
In more than five years	5,842,547	4,942,673
	7,334,296	**6,256,647**

The operating leases are in respect of the land upon which the solar parks are sited and the annual charge is based primarily upon the acres of land used, linked to the RPI.

16 Not used

17 Secured debts

The following secured debts are included within creditors:

	2023 (£)	2022 (£)
Bank loans	8,248,555	9,445,375

The bank loan is secured by a fixed and floating charge over the assets of the group.

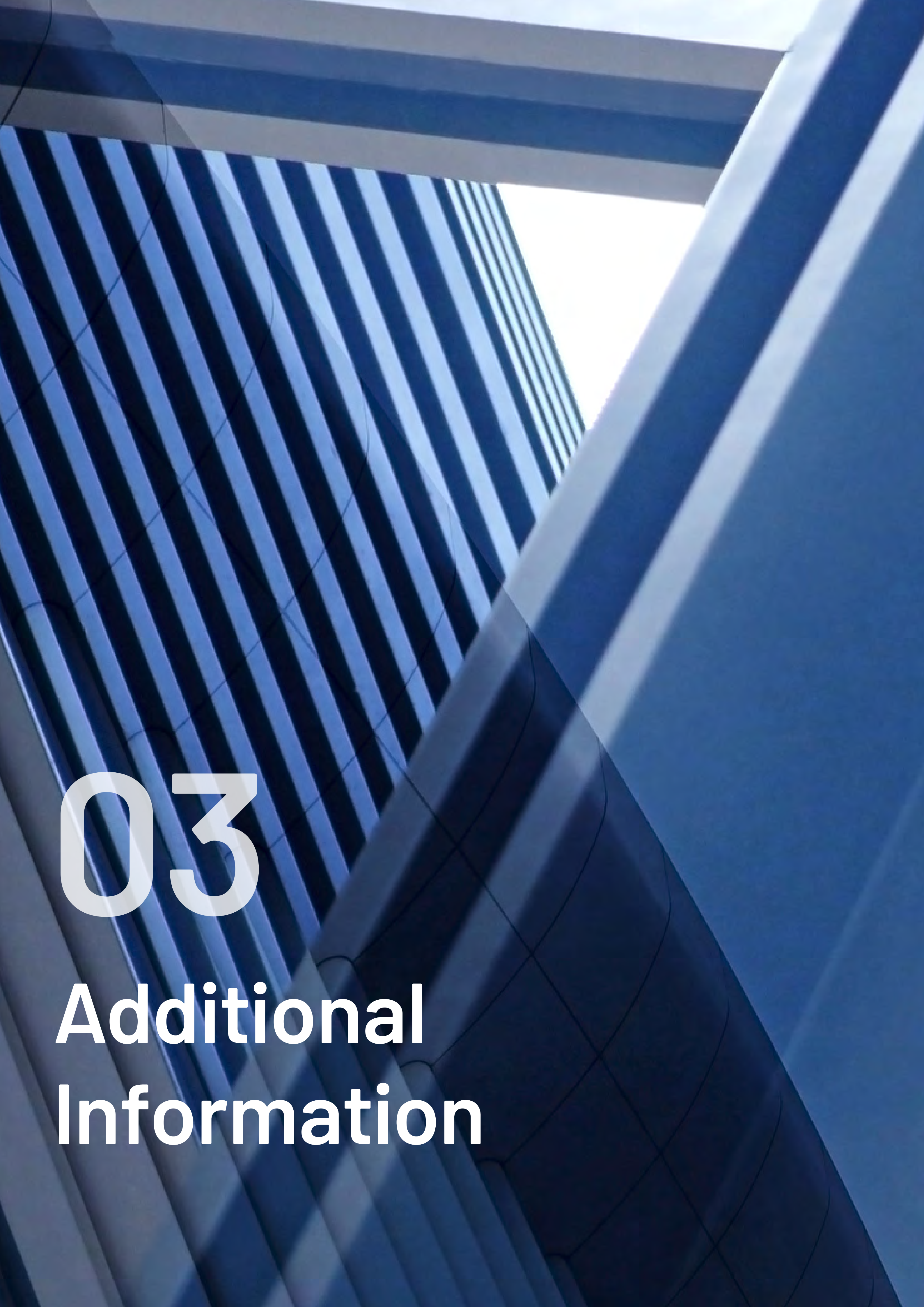
18 Provisions for liabilities

	Group		LLP	
	2023 £	2022 £	2023 £	2022 £
Decommissioning provision	362,604	358,091	276,032	276,032
Balance at 5 April 2023	**362,604**	**358,091**	**276,032**	**276,032**

Other provisions represent the net present value of the estimated future decommissioning costs at the end of the operating life of the solar park. The provision is calculated using estimated costs of decommissioning.

19 Ultimate controlling party

During the current and prior year the ultimate controlling party was Gresham House plc by virtue of its ultimate shareholding of the Designated Members.



03 Additional Information

The Management Team

Please do not hesitate to contact a member of the Management Team if you wish to discuss your investment or provide any feedback on this report. Gresham House are committed to ensuring the needs and expectations of our clients are met at all times and would therefore welcome any suggestions to improve our service delivery.

Please see the website for more details on the below professional experience:
www.greshamhouse.com/our-team

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Partnership Information

Limited Liability Partnership Number

OC402255

Manager and Operator

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OX28 4BE

Designated Members

Gresham House Solar Distribution Designated Member 1 Limited and Gresham House Solar Distribution Designated Member 2 Limited

Glebe Barn
Great Barrington
Burford
Oxon
OX18 4US

Solicitors

Brodies LLP

58 Morrison Street
Edinburgh
EH3 8BP

Auditors

Magma Audit LLP

Magma House
16 Davy Court
Castle Mound Way
Rugby
CV23 0UZ

Bankers

Virgin Money (formerly Clydesdale Bank plc)

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GL1 2AH

Depositary Services

IQ-EQ Depositary Company (UK) Limited

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Gresham House

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