Gore Street Energy Storage Fund plc Annual Report and Financial Statements For the year ended 31 March 2020

Gore Street
Energy Storage Fund plc

Annual Report and Financial Statements

For the year ended 31 March 2020

Corporate Purpose

Gore Street Energy Storage Fund plc ("Gore Street" or the "Company") aims to deliver 7 percent income yield per annum and long-term capital growth to its investors from its portfolio of utility-scale energy storage assets located in the UK and the rest of the OECD.

Founded in 2018, Gore Street was the first pure-play energy storage fund listed on the London Stock Exchange. Energy storage was identified at the time of IPO as a crucial component in our transition to a low carbon economy as it not only supports the stability of national grids but also supports the incorporation of renewables into public power infrastructure.

In 2019, Gore Street's portfolio grew substantially from 29 MW of storage generation in the UK to 189 MW across the UK and the Republic of Ireland. Gore Street aims to continue its growth with a concentration in the UK and Ireland, while broadening our presence in other key markets. The Company continuously seeks efficiencies in its operations and seeks to steadily enhance the net asset value ("**NAV**") per share for its investors.

Highlights

As at 31 March 2020

Market Capitalisation

£51.1 million

Share Price

97.3 pence

Annual Dividend

7.0 pence for this period*

NAV

£49.7 million

NAV per share

94.6 pence

Total Returns since IPO** (on a share price basis)

8.3%

A total of 6.0 pence in dividends was paid in the financial year and the remaining 1.0 pence will be paid following the end of year Board meeting in July 2020.

Table 1: Key Metrics

	31 March 2019	31 March 2020
Net Asset Value (NAV)	£28.1 m	£49.7 m
NAV per share*	91.9 p	94.6p
Number of issued Ordinary shares	30.6 m	52.5 m
Share price based on closing price of indicated date	90.5 p	97.3 p
(Discount)/Premium to NAV**	(1.5%)	2.9%
Market capitalisation based on closing price at indicated date	£27.7m	£51.1m
Dividends paid	4.0 p	7.0 p***
Ongoing charges****	2.1%	2.2%

*NAV per share is calculated as Total NAV divided by total number of shares outstanding within the respective period. This is an alternative performance measure.

**Premium/(Discount) to NAV calculated as difference between closing price on 31 March of 2019/2020 to NAV on 31 March of 2019/2020. This is an alternative performance measure.

***A total of 6.0 pence in dividends was paid in the financial year and the remaining 1.0 pence will be paid following the end of year Board meeting in July 2020.

****Ongoing Charges: The expenses of managing the Company are reviewed quarterly by the Board. Ongoing charges are those expenses of a type which are likely to recur in the foreseeable future. The ongoing charges figure of 2.2% is calculated as the annualised ongoing charges incurred by the Company, (including costs charged to capital but excluding interest) divided by the average undiluted net asset value (with debt at market value) for the period and expressed as a percentage. This is an alternative performance measure.

Figure 1: Key milestones

2019

June

Secured rights to 160 MW in Ireland

Shareholders Agreement with ISIF for up to a £30m investment

Two pence Dividend declared

July

Annual report published for year ending March 2019

Prospectus issuance for ordinary shares

August

AGM

£6.3 million fundraise completed

September

Two pence Dividend declared

2020

October

Secured 6-year revenue contract for Irish assets (60 MW)

Port of Tilbury (9MW) operational

£ 10.7 million fundraise completed

December

NEC appointed EPC contractor for Northern Irish assets (100 MW)

Two pence Dividend declared

January

Construction commences on Northern Irish assets (100 MW)

February

£3.4 million fundraise completed

March

Lower Road (10 MW) operational

Net Asset Value

In the fiscal year, there was a NAV increase of 2.7 pence per share which, when added to the dividends, represents a net asset total return of 10.6%. From IPO to 31 March 2020, the Company has delivered a net asset total return of 4.6%. The Company has no outstanding borrowings at 31 March 2020.

Table 2: Net Asset Value of GSF: quarterly progress

Quarter End	Pence per share
Jun-18	98.0
Sep-18	97.0
Dec-18	92.9
Mar-19	91.9
Jun-19	93.6
Sep-19	95.5
Dec-19	96.1
Mar-20	94.6

Dividend History

Since IPO, the Company has targeted an annual dividend of 7 percent of NAV per Ordinary Share in each financial year. As of the date of publication, the Company has declared total dividends of 7.0 pence with respect to the period ending 31 March 2020, as targeted. The Company is targeting a dividend of 7.0 pence for 2021.

Table 3: Dividends in respect of Per Quarter Ends

Quarter	Dividends
30 September 2018	2.0p
31 December 2018	1.0p
31 March 2019	1.0p
30 June 2019	2.0p
30 September 2019	2.0p
31 December 2019	2.0p
31 March 2020	1.0p

Investment Policy Summary

Gore Street invests predominantly in energy battery storage, with potential to diversify revenue streams and contracts by "stacking" different income streams in each asset and across the Company's portfolio. Through its portfolio companies, the Company not only participates in grid related service contracts but also reduces energy usage and provides constraint management services to industrial clients and has the option to engage in wholesale arbitrage and hedging.

The Company may use short term leverage to acquire assets although such leverage will not exceed 15 percent (at the time of borrowing) of Gross Asset Value without shareholder approval. The Company intends to grow its portfolio through the issue of new equity and from cash flows. It may invest cash held for working capital purposes or pending investment, or distribution of dividends in cash or near-cash equivalents, including money market funds.

Concentration and Diversification

Gore Street currently holds eight separate assets and continues to actively evaluate opportunities within its investment pipeline. Although the Company will generally hold assets until the end of their useful lives, it has the flexibility to dispose of assets where the Investment Manager determines that it is in the interests of the Company to do so.

In the past year, the Company invested in projects outside of the United Kingdom by acquiring two assets with a combined energy capacity of 60 MW in the Republic of Ireland. Gore Street continues to focus its investment pipeline in the UK and the Republic of Ireland, but in the coming years aims to also invest in projects that meet its return criteria in North America and Western Europe. This is provided that no more than 40 percent of its Gross Asset Value will be invested outside of the UK and the Republic of Ireland.

The Company's intention is that no single project or interest in any project will have an acquisition price greater than 20 percent of Gross Asset Value. However, in order to retain flexibility as the portfolio develops, the Company permits single projects to have an acquisition price of up to 25 percent of Gross Asset Value calculated at the time of acquisition.

With the Irish investments, the Company now faces exposure to costs and revenues denominated in Euros. Gore Street aims to achieve further diversification within its portfolio by spreading its exposure across different jurisdictions, customers, manufacturers, and suppliers.

Investment Criteria

The Investment Manager tests all acquisitions against the Investment Policy. Save for final delivery and installation of the battery systems, all other key development components of a project must be in place before investment or must be simultaneously arranged at the time of investment. The application of the investment criteria against the recent acquisitions in Ireland are set out below.

Table 4: Application of Investment Criteria

Investment Criteria	Mullavilly	Drumkee	Kilmannock	Kilteel
Grid Connection Offer Received	Yes	Yes	Yes	Yes
Land Consents	Land acquired	Lease option secured	Purchase option secured	Lease option secured
Visibility of Revenue Contracts	DS3 Uncapped*	DS3 Uncapped*	DS3 Volume Capped*	DS3 Volume Capped*
Planning Approval	Yes	Yes	Yes	Yes

* "DS3" refers to the Delivery Secure Sustainable Electricity System programme in Ireland, as discussed further below on page 8.

Strategic Report

2.1 Chairman's Statement

I am pleased to present Gore Street's annual report and accounts for the year ended 31 March 2020 and to provide an update on developments over the year.

Patrick Cox
Chairman

Financial Performance

The Company's NAV as at 31 March 2020 was 94.6 pence per share.

Gore Street aims to deliver an annual dividend of 7.0 pence to its investors and has met that target for the financial year ending 31 March 2020. In relation to this period a total of £2.8m was paid out in dividends and a further £0.77m will be paid on 23 July 2020.

With the Port of Tilbury and Lower Road assets now operational and the Cenin and Boulby assets continuing to perform, the Company aims to maintain its target delivery of an annual dividend of 7.0 pence in respective of the financial year ending 31 March 2021.

Despite the COVID-19 pandemic, the Company continues to grow and has further increased the number of shares in issue to 77.1 million shares as of the date of publication, following a recent placing of £23.7m to institutional investors, a retail offer through PrimaryBid and a subscription for shares by Nippon Oil, the largest petroleum company in Japan, as part of its clean energy strategy (31 March 2020: 52.5 million shares).

Gearing

The Group will generally avoid using non-recourse debt at the SPV level and aims to keep Group level borrowings within a prudent range to reduce risk; the maximum gearing allowable presently is 15 % of Gross Asset Value. We ended the period with no external borrowings.

Portfolio Update and Acquisitions

The acquisition of four new development projects in Ireland has increased the geographic diversification of the Company, with assets now located in England, Wales, Northern Ireland and the Republic of Ireland.

In 2019, the Company invested £16.1m into six projects, two of which, namely Port of Tilbury and Lower Road, are now operational and generating revenues. I am particularly pleased to announce the award of six-year revenue contracts for each of the 30MW projects, Kilteel and Kilmanock, under development in the Republic of Ireland as part of the DS3 All-Island system to enable target renewable wind penetration of 40 percent of electricity consumed by 2020. Gore Street is also engaged and plans to construct 100MW of energy storage in Northern Ireland that will participate in the DS3 uncapped market. This is targeted to commence in April 2021.

Post year end, the Company acquired Ferrymuir Energy Storage Limited for £1.3m, a project with rights to develop a 50MW energy storage system in Fife, Scotland, bringing the total portfolio size to 239MW, the largest of any UK based manager. This is our first investment in Scotland. As of the time of publication, we are also in exclusivity on the acquisition of an additional 151MW of assets, of which 81MW are operational.

NEC Energy Solutions Inc ("NEC"), our partner in the development of several assets, intends to wind down operations by 2030. NEC successfully completed construction of three of our operational assets. It is currently engaged in the construction of two assets in Northern Ireland under a contract secured by parental guarantees from NEC Japan and underwritten by performance bonds. Since its announcement, NEC continues to meet its outstanding obligations to the Company.

AIFM

Gore Street Capital Limited replaced Mirabella Financial Services LLP as AIFM effective 31 December 2019.

Environmental, Social and Governance Responsibility

Gore Street's investment thesis is based on the belief that energy storage is a key component in the transition of electricity generation to renewables, a significant part of mitigating climate change.

Over the course of the current financial year, two of Gore Street's assets, Boulby and Cenin, exported a combined total of around 3000 MWh of electricity to the grid and saved high-volume consumers round 400 MWh of electricity during triads (the period of highest system demand in the winter). Over the next fiscal year, Gore Street will formalise its sustainability track record and report the same to its shareholders.

As of the date of publication, I am also pleased that Gore Street was awarded the London Stock Exchange's Green Economy Mark, acknowledging companies that derive 50 percent or more of their revenues from environmental solutions.

Directors Responsibilities Pursuant To Section 172

The Directors are responsible for acting in a way that they consider to be in good faith and most likely promote the success of the Company for the benefit of its members as a whole. In doing so, Directors must have regard to the needs of stakeholders amongst other matters set out in section 172 when performing their duties as discussed in the corporate governance report on pages 30 to 40.

Viability And Going Concern

The Directors have assessed the prospects of the Company over a period of three years and confirm our reasonable expectation of viability and continuance over that term. The Board deemed appropriate due to the early stage of development of both the Company and its investment portfolio after 21 months of trading, and the nature of the business in which the Company is involved.

The Directors' assessment of Gore Street's viability and going concern are discussed in the corporate governance report on pages 26 to 27.

Market Outlook

The Board remains optimistic about the market for energy storage.

The falling cost of lithium-ion has reduced capital expenditure for battery storage over the past ten years by 87 percent, which is encouraging further use of battery storage. In the United Kingdom alone, in excess of 900MW of lithium-ion storage has been deployed to date.

The reinstatement of the GB capacity market following a ruling of the European Commission, has meant the Company has retrospectively received 12 months of capacity market revenues from prior periods, a welcome development anticipated by the Investment Manager. The UK markets await the impact of a potential transition period away from European legislation in the event of a no-deal Brexit.

The Board is pleased to contribute to the market arrangements for the All-Island Single Electricity Market in Ireland, by participating in its DS3 Programme implemented to enable greater system flexibility as the use of renewables grows. The Company considers its successful tender of 60MW of its portfolio in the first DS3 volume capped auction an important first step. It will also plan to contribute an additional 100MW over the short-term by participating in DS3's uncapped grid balancing services auctions over the coming years.

COVID-19 and Other Risks

While the scale of the impact of the economic slowdown resulting from the COVID-19 pandemic remains difficult to assess, an examination of its short-term impacts on the Company is provided on page 22. The Board has assessed a number of scenarios including the potential impact of a drastic reduction in storage demand during an economic slowdown as part of its going-concern analysis.

Given the storage industry's relatively nascent stage, the Company does face other potential risks, including the possibility of changes in the design of the energy market or market rules, whether as a result of Brexit or as a consequence of other legislation. As an Irishman, I am particularly proud that the Company is a pioneering participant in the DS3 Programme designed to ensure that Ireland's electricity systems are capable of supporting its 2020 and 2025 renewable electricity targets. While our participation in the Irish market and consequent exposure to the Euro is part of our diversification strategy, it also introduces foreign exchange risks to our investors. We discuss these and other principal risks and our mitigation strategies on pages 21 to 22.

Conclusion

Since IPO in 2018, the Company has grown its portfolio from 6MW to 239MW and we expect this existing capacity to be significantly increased by the deals currently under negotiation. The Company continues to strive towards operational excellence as an early mover in the energy storage marketplace. Since year-end and notwithstanding the pandemic, the operational assets have continued to generate revenues broadly in line with expectations. The Company is working hard to bring the two Northern Irish projects under construction on-stream on time and within budget. We will continue to manage these assets, along with those under pre-design and design phases of development, to ensure timely and efficient onboarding of our operational pipeline and the delivery of long-term capital growth to our investors.

Patrick Cox
Chairman

Date: 15 July 2020

2.2 Investment Manager's Report

Summary of Recent Portfolio Acquisitions

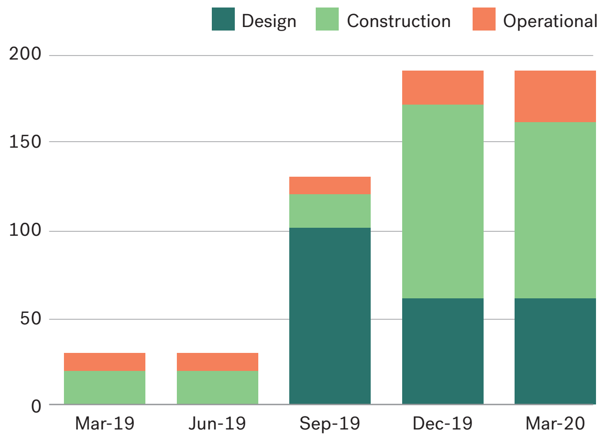
Recent Acquisitions

In the fiscal year, the Company's portfolio substantially increased in scale with an acquisition of a 51 percent interest in four assets located in Ireland with a capacity of 160MW, bringing the total capacity of the Company's portfolio to 189MW. Low Carbon, the seller and developer of each of the four assets, maintains a 49 percent equity stake in each project.

All four projects expect to derive revenues from the "DS3" or "Delivery Secure Sustainable Electricity System" programme in Ireland. The first two of the projects, located in Northern Ireland, began construction in January 2020 with NEC (UK) Limited engaged as engineering, procurement, and construction ("EPC") contractor and operations and maintenance ("O&M") contractor. The sites are expected to commence operations by 1 April 2021. The NEC contracts provide performance, availability and completion warranties that aid in de-risking construction. The two assets in the Republic of Ireland each won six-year fixed revenue contracts to provide available capacity in the DS3 capped market.

Details of the Company's portfolio as of the year ending 31 March 2020 are provided below:

Figure 2: Portfolio by Stage – in MW



Investment Portfolio

Portfolio Overview

The Company has an interest in eight assets:

Operational:

1. Cenin
2. Boulby
3. Port of Tilbury
4. Lower Road

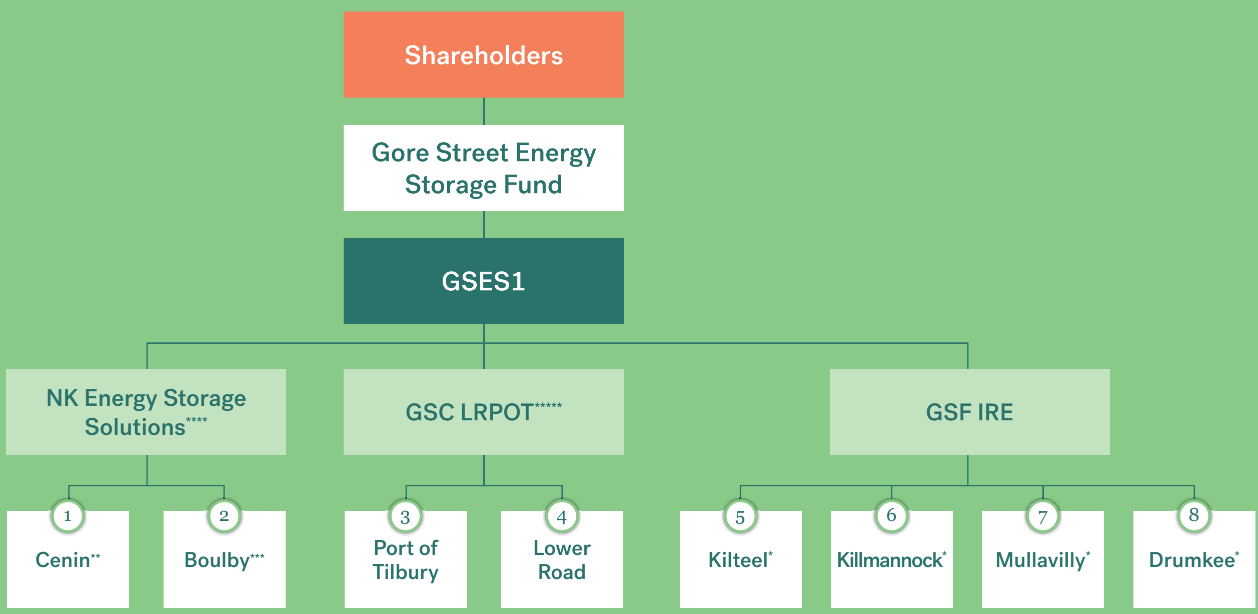
Pre-construction activities:

5. Kilteel
6. Killmannock

Under construction:

7. Mullavilly
8. Drumkee

Figure 3: Organisational Chart



*51% ownership
**49% ownership
***99.998% ownership
**** name change to GSF Albion Limited on 16/06/2020
***** name change to GSF England Limited on 11/06/2020

Cenin, Boulby, Lower Road and Port of Tilbury are operational with Drumkee and Mullavilly under construction. As of March 31, 2020, Killmannock and Kilteel are undergoing pre-construction activities.

Investment Portfolio

Portfolio Assets – Year Ended 31 March 2020

Cenin, Great Britain

1

During the period 1 April 2019 to 31 March 2020 the site had an availability of 97.25%.

Size	4 MW
Commencement Date	May 2018
Voting rights	49%
Major Revenue Stream	Frequency Services
Battery Duration	1.2 hours
Site Type	Colocational

Boulby, Great Britain

2

During the period 1 April 2019 to 31 March 2020 the site had availability of 79%.

Size	6 MW
Commencement Date	May 2018
Voting rights	100%
Major Revenue Stream	Frequency Services
Battery Duration	30 Minutes
Site Type	Behind the Meter

Port of Tilbury, Great Britain

3

During the period 1 April 2019 to 31 March 2020 the site commenced operations with 96% availability.

Size	9 MW
Commencement Date	October 2019
Voting rights	100%
Major Revenue Stream	Frequency Services
Battery Duration	30 Minutes
Site Type	Behind the Meter

Portfolio Assets – Year Ended 31 March 2020 continued

Lower Road, Great Britain

4

During the period 1 April 2019 to 31 March 2020 the site began operations.

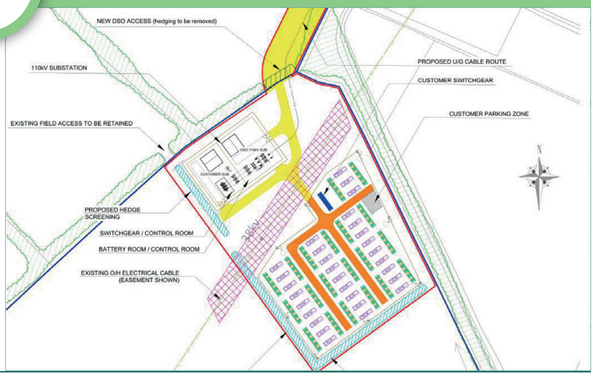
Size	10 MW
Commencement Date	April 2020
Voting rights	100%
Major Revenue Stream	Frequency Services
Battery Duration	30 Minutes
Site Type	Front of Meter

Kilteel, Republic of Ireland

5

During the period 1 April 2019 to 31 March 2020 the asset secured a 6 year DS3 contract.

Size	30 MW
Target Commencement Date	Q3 2021
Voting rights	51%
Major Revenue Stream	DS3 Capped
Battery Duration	TBC
Site Type	Front of Meter

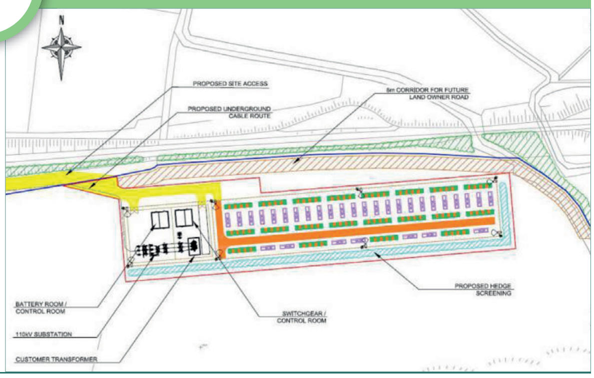


Kilmannock, Republic of Ireland

6

During the period 1 April 2019 to 31 March 2020 the asset secured a 6 year DS3 contract.

Size	30 MW
Target Commencement Date	Q3 2021
Voting rights	51%
Major Revenue Stream	DS3 Capped
Batteries	TBC
Site Type	Front of Meter



Portfolio Assets – Year Ended 31 March 2020 continued

Mullavilly, Northern Ireland

7

During the period 1 April 2019 to 31 March 2020 construction was initiated on site.

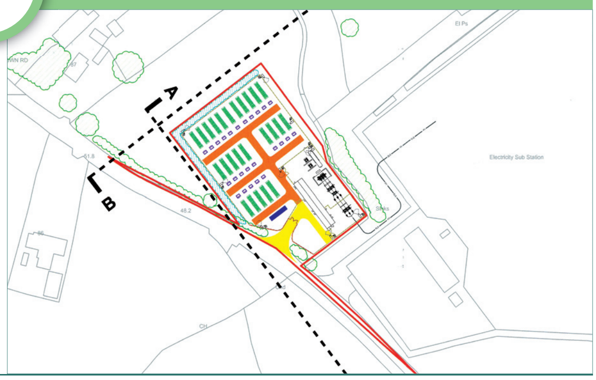
Size	50 MW
Target Commencement Date	Q1 2021
Voting rights	51%
Major Revenue Stream	DS3 Uncapped
Battery Duration	30 Minutes
Site Type	Front of Meter

Drumkee, Northern Ireland

8

During the period 1 April 2019 to 31 March 2020 construction was initiated on site.

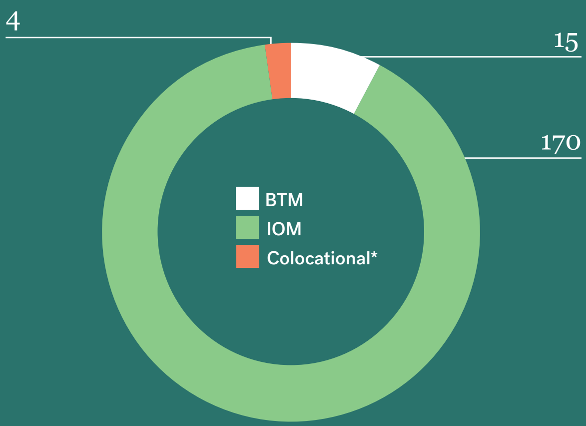
Size	50 MW
Target Commencement Date	Q1 2021
Voting rights	51%
Major Revenue Stream	DS3 Uncapped
Battery Duration	30 Minutes
Site Type	Front of Meter



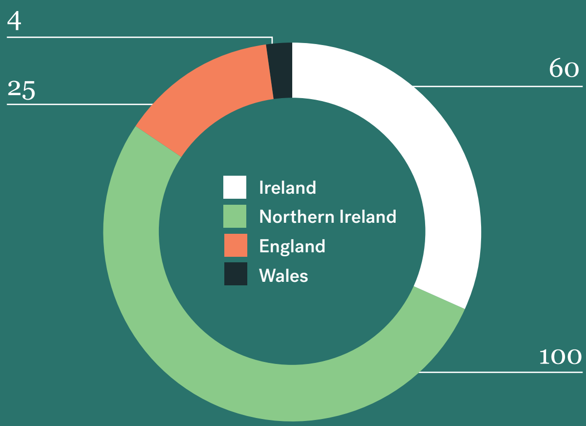
Portfolio Composition

Breakdown of total portfolio including (construction and operational assets) by MW as of 31 March 2020:

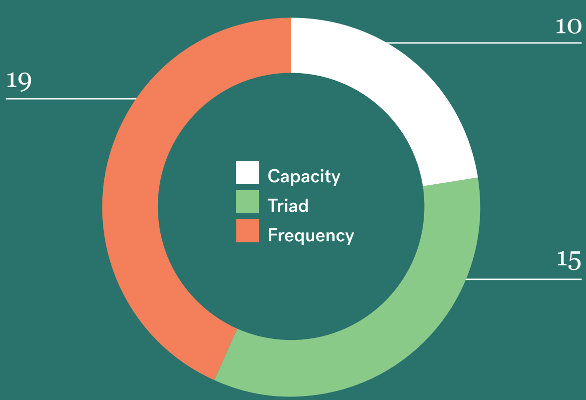
Behind Meter/Front of Meter



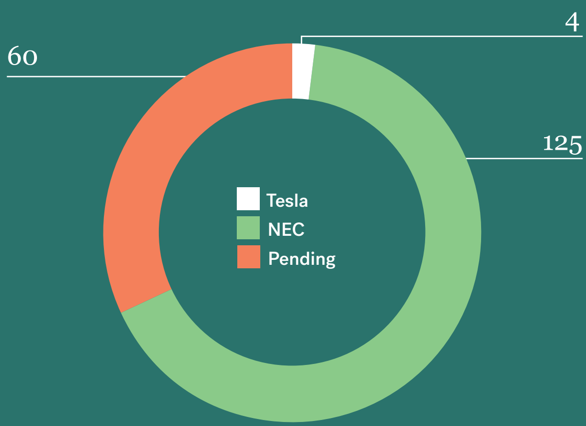
Geography



Revenue Stack**



Battery Manufacturer

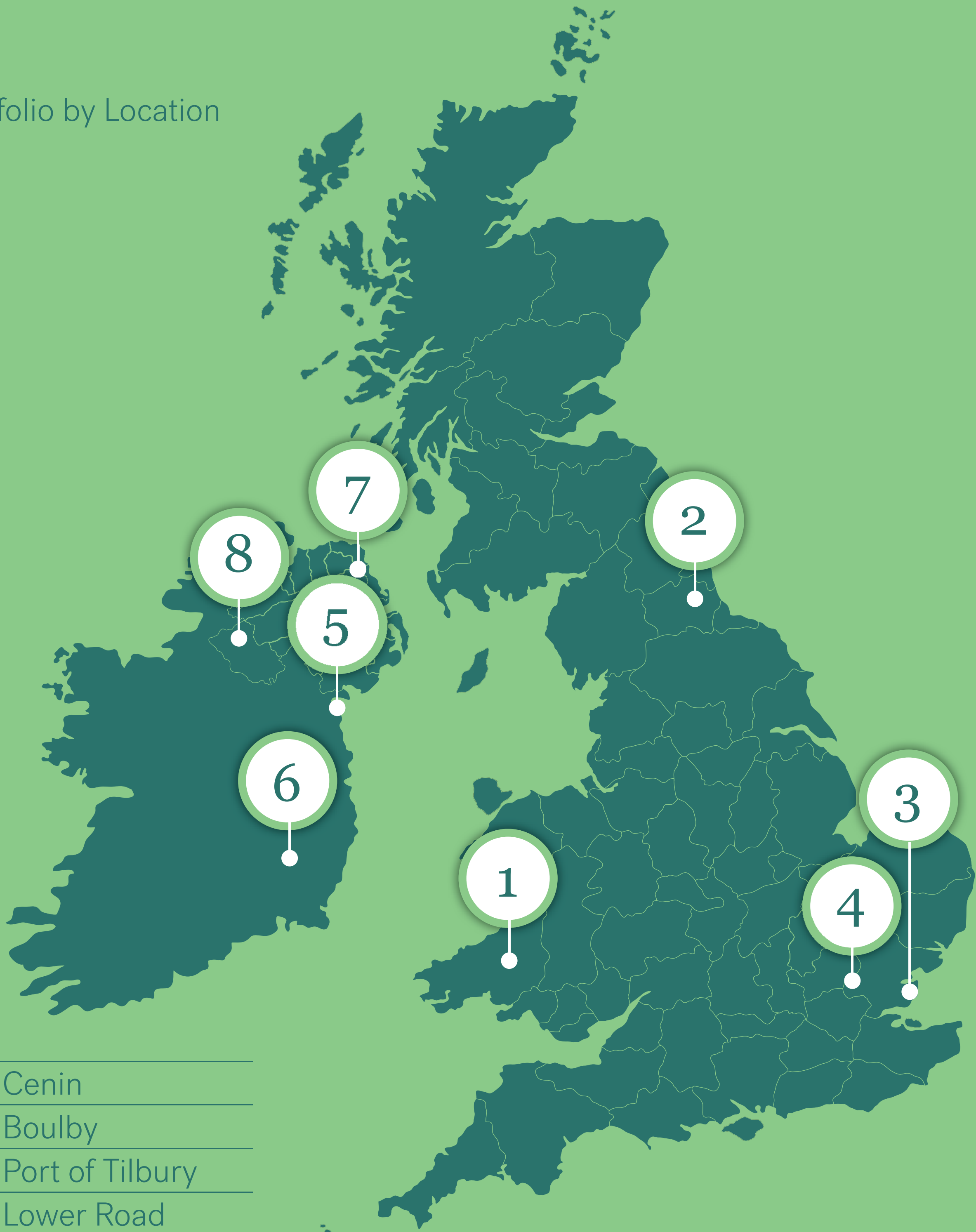


*Colocational refers to an asset that is neither In front of Meter nor Behind the Meter

**Applies to only operational assets

Investment Portfolio

Portfolio by Location

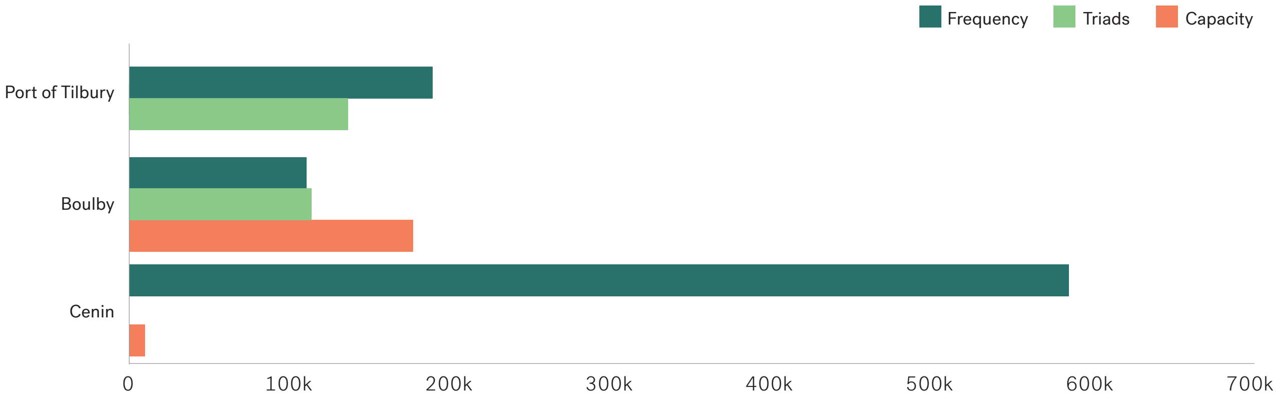


1	Cenin
2	Boulby
3	Port of Tilbury
4	Lower Road
5	Kilteel
6	Kilmannock
7	Mullavilly
8	Drumkee

Portfolio Performance

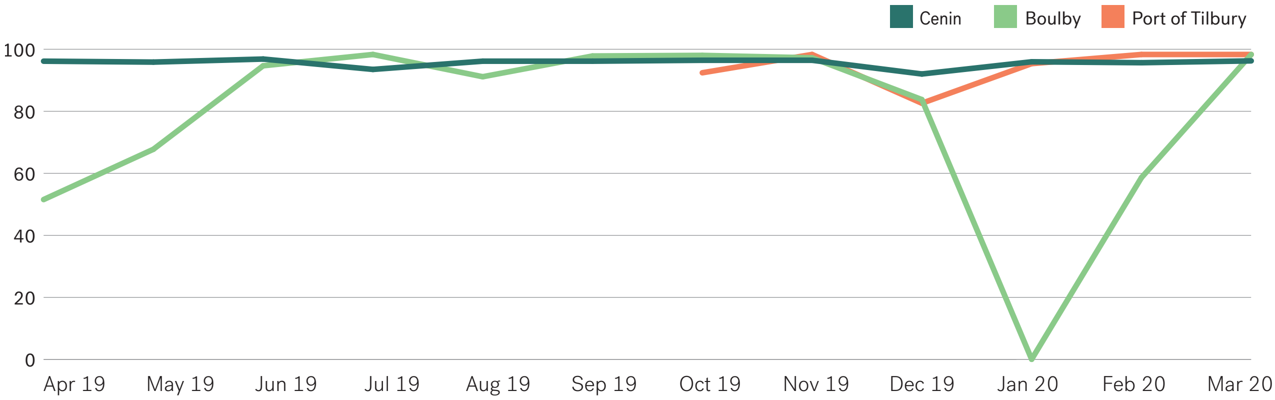
Revenues

Figure 4: Revenue Stack for the Period (£ in '000s)



Operational Performance

Figure 5: Operational Performance (Availability) for the Period



Unplanned Maintenance

The Boulby asset had two incidents of unplanned reduced availability in the fiscal year in which it was unable to deliver frequency response services, resulting in a loss of around £100K in revenues. However, the asset was still able to generate Triad revenues during the period. The incidents were caused by software communication issues. The Investment Manager is assessing the benefits and costs of system enhancements and upgrades to improve network connectivity.

Health & Safety

All HSE policies, including daily task trackers and inspection records are in place. There were no Health or Safety incidents in the year.

Market Outlook

Market projections for the global energy storage market remain optimistic across all regions, with over a six-fold increase projected by 2030 to $19.4 billion. The falling cost of lithium-ion has reduced capital expenditure for battery storage over the past ten years by 87 percent, further encouraging growth. In the United Kingdom alone, in excess of 900MW of lithium-ion storage has been deployed to date.

In addition, the Company continues to evaluate the commercial viability of flow battery technology and of long duration storage technologies. Gore street anticipates that prices of vanadium redox batteries will reduce from current level of $100/KWh within the next few years.

The electricity industry continues to undergo change. With the ongoing integration of more variable renewable forms of generation onto power systems (including wind, solar, electric vehicles stations and other technologies), there is greater complexity in managing demand and supply and ensuring stability in power systems. Energy storage remains a critical tool of national power systems to support the successful transition to a net-zero economy.

United Kingdom and the Irish Markets

Brexit and the impact on the Electricity Industry

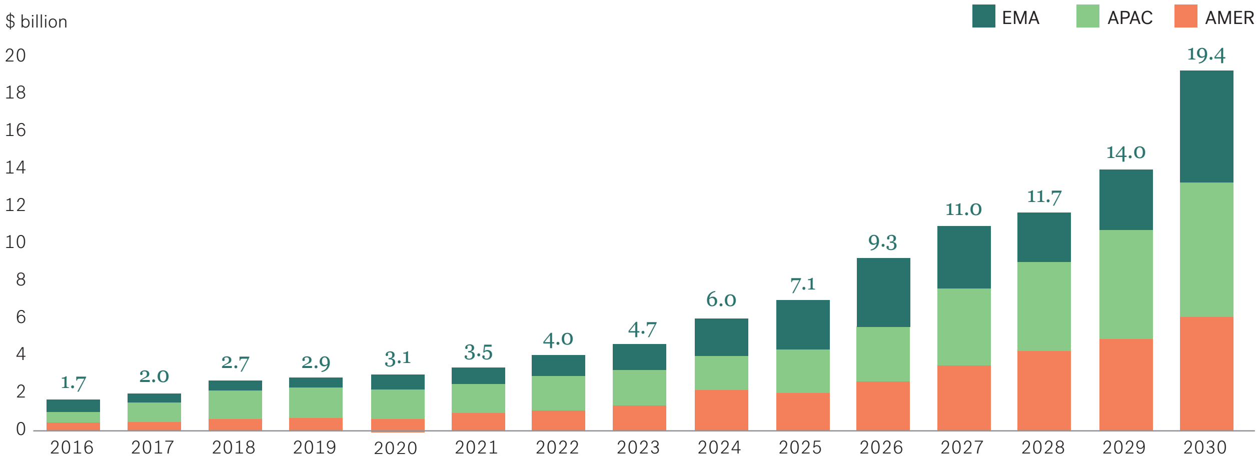
On 23 January 2020, the European Union (Withdrawal Agreement) Act 2020 ("the Act") was adopted enabling the UK government to ratify the Withdrawal Agreement and implement its provisions into the UK law. As a result of the Act, the UK remains legally bound by the EU law during the transition period agreed in the Withdrawal Agreement which runs from 11 pm on 31 January 2020 until 11 pm on 31 December 2020.

During the transition period, UK's energy markets will remain integrated with those of the EU with common rules governing their operation.

For the period post 1 January 2021, the UK Government, Office of Gas and Electricity Markets ("Ofgem"), and Irish regulators have published guidance to the markets to provide a steer on the potential outcome of a "no deal" Brexit, which is considered to be the most disruptive to electricity markets.

In the event of a "no deal" Brexit, the electricity interconnectors between Great Britain ("GB") and the continent, and GB and Ireland, may not be able to continue operating in the market coupling mechanism that operates between wholesale markets at the day-ahead stage.

Figure 6: Market Outlook*



* Bloomberg New Energy Finance, December 2019

Market Outlook

This may result in different wholesale market prices in GB and its connected markets than would otherwise be the case. Depending on the outturn of those prices, the arbitrage value for storage assets could be affected positively or negatively.

Outside of interconnectors, the government has also identified the need for contingency planning for code administrators and market participants, depending on the outcome of the negotiations with the EU. Ofgem has noted that some industry licenses and codes may need to change during the implementation period (if a withdrawal agreement is agreed), or sooner in a no deal scenario, as these currently reflect EU legislation. Similarly, the monitoring of energy market trades and protections against insider trading will need to transition to UK legislation either at the end of the implementation period, or from the date of no deal.

Significantly, the Investment Manager does not currently believe that the changes to licenses and codes, nor the reporting of trades, will have a material impact on the Company's business.

Reinstatement of the GB Capacity Markets

Both GB and Ireland provide for a capacity market, which is a policy mechanism that provides a long-term revenue stream to the Company's sites, based in a £/KW/year (or Euro equivalent) payment which is derated according to the level of storage installed at the site.

GB reinstated the capacity market in October 2019 following a formal investigation by the European Commission which concluded that the mechanism did not violate EU state aid rules. The National Grid made deferred payments from the standstill period to market participants for the suspension period and the Company received payments for Cenin and Boulby retrospectively.

The Launch of the Irish DS3 Market

Eirgrid and SONI (the systems operators in Republic of Ireland and Northern Ireland respectively) established new market arrangements for the All-Island Single Electricity Market in October 2018. Ireland's ambitions are for 40 percent of electricity generated (and 16 percent of total energy consumed) to come from renewable sources by 2020, and the stated aim of the DS3 Programme is "to meet the challenges of operating the electricity system in a secure manner while achieving these 2020 renewable electricity targets."

DS3 is one of the initiatives implemented by Eirgrid to allow for greater system flexibility as the use of renewables grows. In the first fixed contract DS3 auction, the Company successfully won 60MW out of a total of 110MW flexible capacity procured by Eirgrid.

Pipeline Update

The Investment Manager continues its assessment of opportunities within the core markets of GB and Ireland, and is also assessing opportunities in other OECD markets, particularly Western Europe and North America. The Investment Manager is actively engaged with developers on specific opportunities in line with the Company's investment policy.

As of March 31, 2020, the Company has exclusivity to four assets for a combined 145MW in Scotland and is actively reviewing opportunities in the UK and Ireland with a total of 900MW under consideration.

In line with the Company's investment policy, the pipeline focus remains to acquire the project rights from developers with grid connections and planning permits secured, land options in place, and with visibility on revenue streams. The Investment Manager will also consider the acquisition of fully operational portfolios if these are aligned with its investment policy and meet the Company's target returns.

Table 5: Long term pipeline as of 31 March 2020

Assets Under Consideration			
Project*	**Location**	**Total project/ portfolio size -MW**	**Status**
Project 1	GB	50	Under Consideration**
Project 2	GB	30	Under Consideration**
Project 3	GB	30	Under Consideration**
Project 4	GB	20	Under Consideration**
Project 5	GB	5	Under Consideration**
Project 6	Belgium	25	Under Consideration**
Portfolio 1	Ireland	200	Under legal Option
TOTAL		**360**	

* The Company does not necessarily expect to acquire 100% of all projects. There can be no guarantee the pipeline assets will be acquired by GSF

** Projects under consideration are not yet sufficiently developed to meet the Fund's investment criteria

Valuation of the Portfolio

Net Asset Value

The NAV per share for the Company as of 31 March 2020 was 94.6 pence compared to 91.9 pence as of 31 March 2019.

Figure 7: Net Asset Value (In £ million)

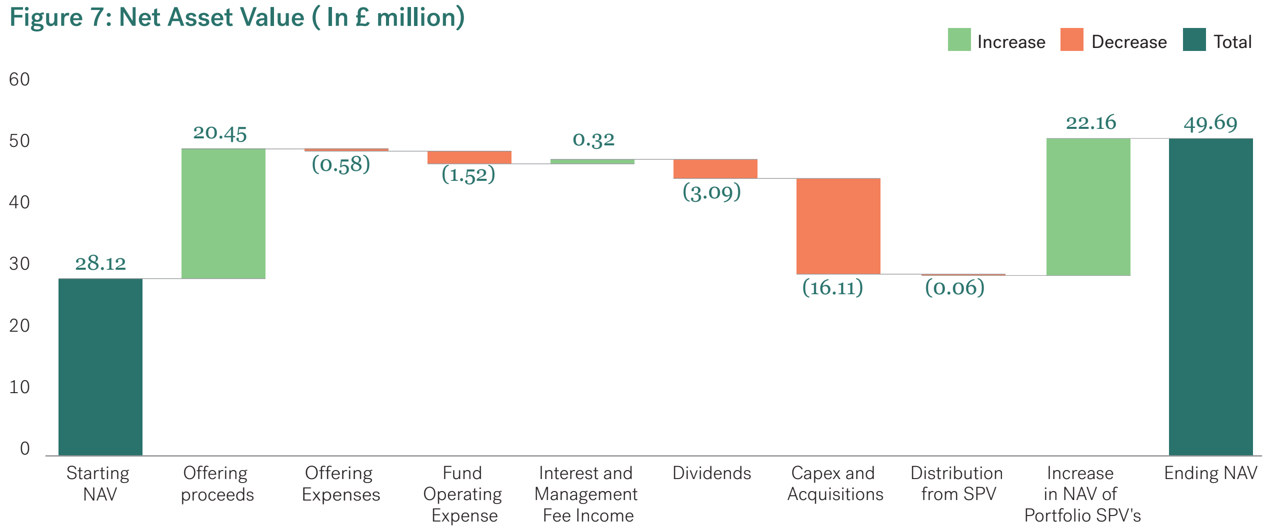


Table 6: Historic Net Asset Value

	Pence
NAV at 31 March 2019	91.9
Less June 2019 dividend	1.0
NAV at 31 March 2019 (ex-dividend)	90.9
NAV at 31 March 2020	94.6
Less July 2020 dividend	1.0
NAV at 31 March 2020 (ex-dividend)	93.6
Movement in NAV (ex-dividend)	2.7
Dividends with respect to the year	7.0
NAV Increase%	**2.9%**

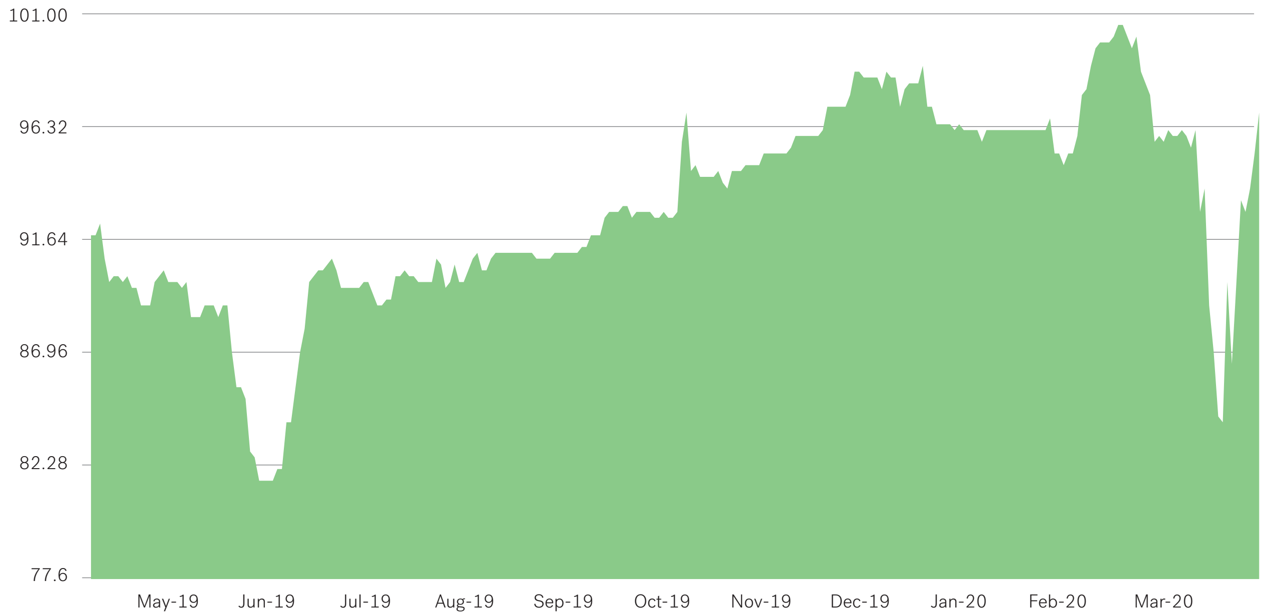
Dividends

The target dividend with respect to 2020 is 7.0 pence and as of the date of publication, the Company paid or declared a total of 7.0 pence for the period ending 31 March 2020. This represents an 11 percent dividend yield for the investor at the IPO price.

Share Price

The share price as at 31 March 2020 was 97.3 pence, representing a 2.9 percent premium to NAV. The chart below shows the share price over the year:

Figure 8: Share Price Over Period



Valuation Methodology

The Investment Manager is responsible for providing a fair market valuation of the Company's underlying assets. Its valuation results are presented to the Company's Board of Directors ("Directors") for review and approval prior to reporting. Valuations are calculated quarterly and reviewed by an independent third party, prior to publication of the half year and year-end reports.

The Investment Manager currently values all assets within its portfolio using a Discounted Cash Flow ("DCF") methodology. This methodology adheres to IFRS 13 as well as the International Valuation Standards Council ("IVSC").

Asset Life Extension

During the period, the Investment Manager extended the life of the assets to up to 30 years. The amendment is justified by the indefinite term of the grid connection offers, the 30 year life terms for transformers and switch gear, and the ability to replace and augment batteries, inverters, and all other components with capital injections. All such associated capital expenditure is accounted for in the valuation process. Conservatively, no residual value has been assumed at the end of the project life (notwithstanding the value of grid connections remaining).

Movements in Valuation Discount Rates

The Investment Manager applied a discount rate between 6.0 percent and 10.0 percent to each asset in the Company's portfolio, with the 6.0 percent discount rate applied during periods in which an asset has contracted revenue, reflecting the lower risk associated with national system operators as a counterparty.

Table 7: Discount Rate Matrix

Discount rate Matrix	Pre-Construction Phase	Construction Phase*	Operational Phase**
Contracted income	10.0%	6.5%-9.5%	6.0%-7.0%
Uncontracted income	10.0%	7.5%-9.5%	7.0%-8.0%

*Construction discount rates vary based on programme status and lead time

** Uncontracted revenue rates vary in accordance with market maturity. Contracted revenue rates vary by counterpart

Revenue

The Investment Manager estimates uncontracted revenue based on the unit price forecasts of independent third-party research house(s) and makes assumptions on the combination of revenue stacks for each asset based on its own experience and the advice of independent third party consultants.

Operating Expenses

Where not already contracted and priced, development expenditure (i.e. equipment maintenance and lease costs) are based on most recent contracted expenditure and price quotes, with inflation adjustments. Energy costs are estimated based on each system's efficiency (as determined under EPC technical specifications), published transmission and distribution network tariffs, and third party electricity price forecast.

Gearing

As at 31 March 2020, no portfolio companies had any debt outstanding.

Key Sensitivities

Table 8: NAV Sensitivity Chart

		NAV Sensitivity Chart					
Region	NAV in Base Case (With DCF)	Revenue +10%	Revenue -10%	FX +3% (€ stronger)	FX -3% (€ weaker)	Discount Rate +1%	Discount Rate -1%
Northern Ireland	£16.1m	£19.5m	£12.6m	£16.8m	£15.5m	£13.7m	£18.9m
Republic of Ireland	£5.7m	£7.6m	£2.3m	£5.9m	£5.6m	£3.8m	£8.0m
Great Britain	£6.7m	£8.3m	£3.9m	£6.7m	£6.7m	£5.6m	£7.1m

Principal Risks and Uncertainties

The directors have carried out a robust assessment of the principle risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks to the Company's portfolio are identified below. Given that Gore Street is still in its nascent stage, the Board routinely incorporates a review of the Company's risk assessment matrix into its quarterly meetings. The Board's aim is to mitigate the impact of material threats to the Company's business model. The Company aims to achieve its corporate purpose and investment strategy by providing for predictable yields and long-term capital growth through its geographically diversified investments in energy storage assets, while taking on minimal development and technology risks.

Operational Risks

The Company and its subsidiaries have no employees and is reliant on the performance of the Investment Manager to achieve its investment goals and engage appropriate staff and advisors to implement its investment strategies.

Mitigant: The Company's AIFM Agreement contains a key man provision allowing the Company to terminate the agreement if the chief executive at the Investment Manager is unable to carry out his duties and obligations to the Company in accordance with the terms of his appointment. The investment, regulatory, asset management and transaction components of the Investment Manager's responsibilities are supervised by two other management professionals in order to mitigate the key-man risks. The Investment Manager's team in turn also self-regulates with the support and counsel of qualified market experts. With respect to asset valuation, the Investment Manager routinely engages reputable third-party valuers to confirm and review its NAV calculations on a bi-annual basis. The Investment Manager also engages a third party to conduct an annual audit of its risk and compliance policies and procedures and to mitigate against any cultural drivers that could harm investors or the portfolio.

Market Risks

There may be changes in the design of the energy market, or in the specification of services, network charges, access to networks or market rules, whether as a result of Brexit or as a consequence of other legislation, that could impact current and future revenue projections for any of the portfolio assets.

Mitigant: The diversification of assets across the United Kingdom and Europe mitigates the impact of changes in any single market product. In addition, the Investment Manager aims to stack revenue contracts and resulting income streams available to each asset, potentially reducing the groups portfolio's level of reliance on any single contract mechanism or market service and providing for some protection to the group against regulatory changes in a particular market.

Technology Manufacturer Risks

Gore Street's portfolio currently consists only of lithium-ion batteries provided by two battery manufacturers, NEC (UK) Limited and Tesla, with NEC contracted as manufacturer and/or maintenance provider in 97 percent of the Company's existing portfolio (for 125 MW of battery capacity). Each site contains multiple battery stacks connected in parallel, with each stack containing modules of battery cells that are partially independent and can be replaced and repaired separately, thereby partially limiting the impact of failure of any module of cells. The performance of each asset is nonetheless dependent on scheduled maintenance and timely repair by service providers.

Mitigant: The Company remains technologically agnostic and continues to evaluate economically viable opportunities utilising other technologies for battery storage. The Company is not under an exclusivity agreement with any individual manufacturer and has encouraged multiple engineering, procurement and construction (EPC) bids for the 60MW of projects scheduled to commence construction in 2020 in order to further diversify its portfolio of manufacturer and maintenance providers. In addition, adequate contractual rights apply to enable the Company to replace any maintenance service provider unable to carry out its obligations to the satisfaction of the Company.

Principal Risks and Uncertainties

Liquidity Risks

Gore Street continues to meet its daily liquidity needs through its cash resources and as at 31 March 2020, had cash of £15.0 million to meet its current obligations as they fall due. The Company has no credit or debt to date, with discretionary dividends and further investments constituting its primary potential expenditures.

The Company is not exposed to liquidity and financing risks and to date, has no liabilities or parental guarantees outstanding with respect to any subsidiary obligations.

The Company's investment pipeline far exceeds its cash balance and the Company must increase its cash resources in order to meet or exceed its acquisition targets for the next year.

Mitigant: The Company will seek to continue to grow its investor base and cash resources. Such cash will be used primarily to finance further investments.

Valuation Risks

The Company's investments will predominantly be in unquoted assets whose fair value involves the exercise of judgement.

Mitigant: The Investment Manager routinely utilises market experts to confirm key and necessary data points utilised in the valuation process (such as energy price forecasts). In addition, portfolio assets are valued by independent third-parties on a bi-annual basis, providing further objectivity to the portfolio valuation process.

The Impact Of COVID-19

The longer term economic impact of the COVID-19 pandemic and resulting lock-down on the Company and its portfolio remains difficult to assess.

In the short term, there has been limited interruption in the Company's business activities. Following a dip in the Company's share price in March 2020 alongside the global markets, shares continue to trade between 95 pence and 101 pence during this time of uncertainty. The Investment Manager continues to manage Gore Street's business activities via its virtual offices, including pipeline development and EPC engagements for the Company's recent acquisitions in the Republic of Ireland.

The underlying portfolio continues to generate revenue from four operational assets each of which have to date, been unaffected by the pandemic. Two Northern Irish assets under construction were designated as essential construction projects during the early lock-down period. Nonetheless, there were delays in the early weeks of the lock-down resulting in a four-week suspension of construction activities in Northern Ireland. In addition, the EPC contractor for the Northern Irish assets has indicated that there may be short-term delays in delivery of some parts. However, the Company does not currently anticipate that the delays will impact the assets' ability to meet the market deadlines for commencement of service.

Mitigant: The Company will continue to monitor the economic impact, if any, of COVID 19, including by working with its contractors and their suppliers to mitigate the impact of any future supply chain delays and to ensure that contractors have established health and safety policies and protocols in the context of COVID-19 to allow for the continued and timely development of its portfolio projects.

Emerging Risks

To ensure that the Company maintains a holistic view to risk management, Gore Street will continue to monitor a broader scope of subsidiary or emerging risks to assess their potential to adversely impact the business's operations and reduce shareholder value.

Emerging risks include cyber security attacks (not considered principal risks because trades currently only occur within closed operating systems) and any potential regulatory changes to the tax, environmental or planning frameworks governing the energy storage markets.

Corporate Governance

3.1 Directors' Report

The Directors present their report together with the audited financial statements for the period from 1 April 2019 to 31 March 2020. The Corporate Governance Statement on pages 30 to 40 forms part of this report. The Directors' Report together with the Strategic report comprise the "management report" for the purposes of Disclosure Guidance and Transparency Rule 4.1.5R.

Principal activity and status

The Company was incorporated in England and Wales on 19 January 2018 with company number 11160422 and registered as an investment company limited by shares under Section 833 of the Companies Act 2006. On 25 May 2018, the Company's ordinary shares were admitted as a Premium Listing and commenced dealings on the Main Market of the London Stock Exchange ("LSE"). The Company has, subsequent to its launch, entered the Investment Trust Company ("ITC") regime for the purposes of UK taxation. The Company is a Member of the Association of Investment Companies ("AIC").

Business review

During the period the Company, through GSES 1 Limited, has successfully acquired four new facilities, of which all facilities are majority owned by the Company. The registered address of GSES 1 Limited is The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF. The Chairman's statement and Investment Managers report expands on the business activity and acquisitions in the period.

Results and dividends

The financial statements of the Company for the period appear on pages 60 to 64. Total Comprehensive income for the period was £4,789,273. The Directors recommend a fourth interim dividend of 1 pence per share be paid, bringing the total dividend in respect of the period ended 31 March 2020 to 7 pence per share.

Dividend policy

Subject to market conditions and performance, financial position and financial outlook, it is the Directors' intention to pay an attractive level of dividend income to Shareholders on a quarterly basis. The targeted annual dividend for 31 March 2020 of 7.0 pence per Ordinary share will have been met, the annual target thereafter is an annual dividend of 7.0 percent of NAV per Ordinary Share in each financial year, subject to a minimum target of 7.0 pence per Ordinary Share.

Share capital

As at 31 March 2020, 52,548,815 ordinary shares were in issue and no other classes of shares were in issue at that date.

Risk management and internal control

The Board is responsible for financial reporting and controls, including the approval of the Annual Report and Accounts, the dividend policy, any significant changes in accounting policies or practices, going concern and treasury policies including the use of derivative financial instruments. During the period the Board has carried out a robust assessment of the principal risks and uncertainties facing the Company and how they are being mitigated, as described on pages 21 to 22.

The Board meets at least every quarter to review the Company's performance against its strategic aims, objectives, business plans and budgets and ensures that any corrective action considered necessary is taken. Additional meetings are held as required to deal with the business of the Company in a timely manner. Directors are expected to attend all meetings of the Board and all meetings of those committees on which they sit, as well as the Annual General Meeting ("AGM"). Meetings called outside the scheduled quarterly Board meetings may need to be convened at relatively short notice and therefore at times when not every director is available. Every meeting during the period was convened with an appropriate quorum and with the Directors independent of the Investment Manager.

Insurance

The Company maintains £10million of Directors' and Officers' Liability Insurance cover for the benefit of the Directors, which was in place throughout the period and which continues in effect at the date of this report.

Directors

All Directors are Non-Executive Directors. All the directors will seek re-election at the AGM in accordance with the recommendation of the AIC Code. Full details of the processes by which directors can be appointed or replaced are set out in the Articles of Association.

Significant shareholdings

As at 31 March 2020 the following shareholders have a disclosable interest of 3 percent or more in the ordinary shares of the Company:

Shareholder	Number of ordinary shares	Percentage of issued share capital
The Bank of New York (Nominees) Limited	11,730,910	22.3%
NEC Energy Solutions Inc	9,098,901	17.3%
BBHISL Nominees Limited	6,000,000	11.4%
BNY (OCS) Nominees Ltd	2,608,247	4.9%
Nortrust Nominees Limited	2,100,000	3.9%
Merrill Lynch Pierce Fenner & Smith	1,850,000	3.5%
HSBC Global Custody Nominee (UK) Limited	1,675,000	3.2%
Goldman Sachs Securities (Nominees) Limited	1,610,000	3.1%

Political contributions

The Company made no political contributions during the period.

Greenhouse gas emissions reporting

The Board has considered the requirement to disclose the Company's measured carbon emissions sources under the Companies Act 2006 (Strategic report and Director's report) Regulations 2013. The Company is a closed-ended investment company which has no employees and so its own direct environmental impact is minimal.

Employees

The Company has no employees and therefore no employees share scheme or policies for the employment of disabled persons or employee engagement.

Restrictions on transfer of securities in the Company

There are no restrictions on the transfer of securities in the Company, except as a result of:

- The FCA's Listing Rules, require certain individuals to have approval to deal in the Company's shares: and,
- The Company's Articles of Association, allow the Board to decline to register a transfer of shares, or otherwise impose restriction on shares, to prevent the Company, the Investment Advisor or the AIFM from breaching any law or regulation.

The Company is not aware of any agreements between holders of securities that may result in restrictions on transferring securities in the Company.

Securities carrying special rights

No person holds securities in the Company carrying special rights with regards to control of the Company.

Change of control

The Company is not aware of any person who, directly or indirectly, owns or controls the Company. The Company is not aware of any arrangements the operations of which may give rise to a change in control of the Company.

Director's share dealings

The Directors have adopted a code of Director's dealing in ordinary shares, which is in accordance with the Market Abuse Regulation. The Board is responsible for taking all proper and reasonable steps to ensure any dealings by Director's, or persons closely associated with them, are in compliance with the Market Abuse Regulation.

Articles of Association

These are available on our website at https://www.gsenergystoragefund.com/ or by application to the Company Secretary. Any amendment to the Company's Articles of Association may only be made by passing special resolution of the shareholders of the Company.

Branches outside the UK

The Company does not have any branches outside the UK.

Powers of the Directors

The Board are responsible for managing the business affairs of the Company in accordance with the Articles, the Companies Act and the investment policy and have overall responsibility for the company's activities including its strategy, investment activities and reviewing the performance of the portfolio.

Powers in relation to the Company issuing its shares

Subject to company law and the Articles of Association, the Directors are authorised to issue shares of such number of tranches and on such terms as they determine, provided that such terms are consistent with the provision of the Articles.

Statutory information contained elsewhere in the annual report

Information required to be part of this Directors' report can be found elsewhere in the annual report and is incorporated into this report by reference, as indicated below:

- Future developments, page 17
- Engagement with suppliers, customers and others with business relationships with the Company, page 27
- Corporate Governance statement, pages 30 to 40
- Manager and service providers, page 34
- Directors' names and biographies, pages 36 to 37
- Directors' interest in shares, page 46
- Financial instruments, note 16, page 75
- Share capital reserves, note 20, pages 81 to 83
- Transactions with related parties, note 22, pages 83 to 84
- Post balance sheet events, note 24, page 85

Other disclosures

Disclosures of financial risk management objectives and policies and exposure to financial risks are included in note 18 to the financial statements.

Disclosures in relation to the Company's business model and strategy have been included within the Investment Manager's report on pages 8 to 20. Disclosures in relation to the main industry trends and factors that are likely to affect the future performance and position of the business have also been included within the Investment Manager's report.

Disclosure of information to Auditors

All of the Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the auditors for the purposes of their audit, and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

Independent Auditors

Ernst & Young LLP were appointed as auditors by the Directors during the period and have expressed their willingness to continue as auditor for the financial year ending 31 March 2021.

A resolution to appoint Ernst & Young LLP as auditors to the Company will be proposed at the AGM.

Going Concern and Viability

The Company's business activities, together with the factors likely to affect its future development performance and position, are set out in the Investment Manager's Report. The Company faces a number of principal risks and uncertainties, as set out above, including with respect to the economic impact of COVID-19 and financial risks such as counterparty risk, credit risk, concentration risk as discussed in note 18 to the financial statements.

Going Concern

The Company's ability to generate revenue from its four operational assets continues and is unaffected by the pandemic. There was limited interruption in its construction activities for the two new assets in Northern Ireland. In addition, the EPC for the Northern Irish assets has reported that it anticipates short term supply chain delays as a result of COVID-19. However, the Company does not currently anticipate that the delays will impact the assets' ability to meet the market deadlines for commencement of service.

There has also been no interruption in contracting and design work for the two new assets (Kilmannock and Kiteel) in the Republic of Ireland. Nonetheless, as part of its going concern assessment, the Company has assumed that the pandemic will impact investment activity and has assumed no capital growth beyond the date of issue of this financial statement.

The going-concern analysis further assumes continued annual expenditure at the rate of current expenditure and continued discretionary dividend payments to shareholders at the target annual rate of 7 pence per ordinary share. With expenditure and discretionary dividends assumed unchanged over the next 12 months, the Company will continue to be operational and will have excess cash after payment of its liabilities over the next 12 months.

The next general meeting and vote on the continuation of the Company is scheduled for May 2023. The Company holds no debts or other contractual financial commitments.

The Directors have acknowledged their responsibilities in relation to the financial statements for the year ended 31 March 2020 and the preparation of the financial statement on a going concern basis remains appropriate and the Company expects to meet its obligations as and when they fall due for the foreseeable future.

Long Term Viability

The Directors have assessed the prospects of the Company over a period of three years.

As at 31 March 2020, the Company had net current assets of £49.7 million and had cash balances of £15.028 million (excluding cash balances within investee companies), which are sufficient to meet current obligations as they fall due. The major cash outflows of the Company are the payment of dividends and costs relating to the acquisition of new assets, both of which are discretionary. The Company had no outstanding debt as at 31 March 2020.

A potential key risk facing the Company is that Covid-19 may affect the ability of operators to adequately ensure operational integrity of the projects, particularly in terms of operations and maintenance. The Company and the Investment Manager have worked closely and liaised with the operators to ensure that commercial activities remain operational and, in their view, power generation will remain essential to the UK's infrastructure.

The Directors have reviewed Company forecasts and projections which cover a period of three years from 31 March 2020, and as part of the going concern assessment have modelled downside scenarios taking into account foreseeable changes in investment and trading performance, which show that the Company has sufficient financial resources.

The Directors consider the following scenarios:

- Covid-19 and the impact the outbreak could have on the Company and the portfolio assets over a 12 month period. We have assumed the Company's rate of expenditure over the year will remain unchanged, that there are no contractual capital commitments at fund level, that there is a single intercompany loan from the Company to a subsidiary to finance the acquisition of a pre-operational asset, and that there are no loan repayments received from operational companies over the time frame.
- A reverse stress test to determine the term over which the Company can remain viable given its current resources before the necessity for liquidation or protection from creditors. As the Fund has no financial responsibility for its operating companies, the only subsidiary expense included in the reverse stress test is an imminent intercompany loan to a subsidiary to finance the acquisition of a new asset.
- An economic turmoil test to assess the impact of a continued market slowdown during a three year term with no additional equity raised and annual expenditures remaining the same over the three year period.

After assessing the risks and reviewing the Company's liquidity position, together with the forecasts of performance under various scenarios, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities over a three year period

Section 172 Statement

The Role of the Board

The Board has overall responsibility for setting our purpose, strategy and objectives, approving our investment activities – including acquisitions and capital improvement programmes – and reviewing our performance. The Board delegates day-to-day responsibility for managing the portfolio to the Investment Manager.

The Directors have had regard for the matters set out in section 172(1)(a) and (c) to (f) of the Companies Act 2006 when performing their duty under section 172. Subsection (b) is not applicable to the Company as it has no employees. The Directors consider that they have acted in good faith in the way that would be most likely to promote the success of the Company for the benefit of its members as a whole, while also considering the broad range of stakeholders who interact with and are impacted by our business, especially with regard to major decisions.

In doing the above, the Directors have taken into account the following:

(a) the likely consequences of any decision in the long-term.

(b) the need to foster the Company's business relationships with suppliers, customers and others.

(c) the impact of the Company's operations on the community and the environment.

(d) the desirability of the Company maintaining a reputation for high standards of business conduct; and

(e) the need to act fairly as between members of the Company.

The Company continuously interacts with a variety of stakeholders important to its success and strives to strike the right balance between engagement and communication. The Company has identified the following key stakeholders:

- The Company's investors
- The Company's Investment Manager
- The Company's business partners and key service providers

Understanding our stakeholders' views has influenced our investment strategy, including our focus on asset diversification and introduction of a consolidated ESG policy.

Engagement with shareholders

The company would require further funding to continue with the investment strategy and obtain additional pipeline investments. Existing shareholders and prospective investors are therefore key to implementing our strategy. We strive through our engagement activities to obtain shareholder and prospective investor buy in into our strategic objectives and have developed relationships with several cornerstone shareholders. We have engaged with shareholders and prospective investors through the following:

- Interim and Annual Accounts.
- Company's corporate broker and Investment Manager are in regular communication with shareholders and shareholder views are reported to the board.
- One to one meetings with the Investment Manager.
- Regular news and quarterly NAV updates.

The company will continue to engage with shareholders in future as further expansion becomes necessary. These engagement activities have ensured that the Company's investment pipeline and fund raising programme have been aligned.

Engagement with the Investment Manager

The Investment Manager is responsible for the implementation of the investment strategy, including acquisition identification. The Investment Manager is crucial for the Company to meet dividend expectations and its investment policy. The Board engage constructively with the Investment Manager in order to ensure that the expectations of the shareholders are being met and that the Board are aware of challenges being faced. The Board and the Investment Manager maintain an ongoing open dialogue on key issues facing the Company, this open dialogue takes the form of ad hoc board meetings and more informal contact, as appropriate. It ensures that the Company and Investment Manager have aligned interests to ensure the future success of the Company.

Engagement with business partners and key service providers

The Company has various key service providers who provide management and administration services. The intention is to maintain long-term and high-quality business partnerships to ensure stability while the company pursues its growth strategy. Through its Management Engagement Committee, the Company reviews all key service providers to the Company and the terms of their engagement on an annual basis, and seeks two-way engagement between the Board and key service providers on service delivery expectations, and feedback on important issues experienced by the service provider during the period.

Engagement with communities

As we start to develop assets closer to communities we will look to ensure that our environmental and social footprint takes account of the local communities and is sympathetic to the locality, taking account of local views which will be obtained via the planning process.

Key Board Decisions

The Board's principal decisions each year typically include approving acquisitions, capital expenditure and capital raises (equity and debt), making acquisitions and payment and level of dividends to meet expectations. During 2019, the Board also approved the appointment of Gore Street Capital as the Company's Investment Manager.

Where potential conflicts of interest arose, these were discussed at the Board and resolved in line with the formal Conflicts of Interest policy. No conflicts of interest occurred that prevented the Directors from carrying out their duties during the year.

The nature of the Company's business means that the Directors must consider the long-term impact of its decisions, given that the Company assumes its operational assets will perform for 30 years.

The Company relies on a reputation for high standards of business conduct and this is reflected in one of our core values, which is to always act openly and transparently with all of our stakeholders. In relation to these key decisions stakeholders such as key contractors were involved to ensure asset pipeline was available to the Company on the timescales required. Shareholder discussions were held to ensure clear communication was made in relation to progress and market interest for expansion of the Company. To ensure dividend expectations were deliverable the Company worked with the Investment Manager.

3.2 Statement of Directors' Responsibilities

In respect of the preparation of the Annual Financial Report

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

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors are required to prepare the Company financial statements, in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU.

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

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

- select suitable accounting policies and then apply them consistently.
- make judgements and accounting estimates that are reasonable and prudent.
- state whether they have been prepared in accordance with IFRS as adopted by the EU, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- prepare a Report of the Directors, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Website Publication

The Directors are responsible for ensuring the annual report, including the financial statements, is made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website (at https://www.gsenergystoragefund.com) is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' Responsibilities pursuant to DTR4

The Directors confirm that to the best of their knowledge:

- the Company's financial statements have been prepared in accordance with IFRS as adopted by the EU and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principle risks and uncertainities that they face.

Disclosure of information to the Auditor

The Directors who were members of the Board at the time of approving the Directors' report have confirmed that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is not aware; and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Signed on behalf of the Board of Directors

Patrick Cox
Chairman
15 July 2020

3.3 Corporate Governance Report

This Corporate Governance Report forms part of the Report of the Directors as further disclosed on pages 24 to 28. The Board operates under a framework for corporate governance which is appropriate for an Investment Company.

Gore Street Energy Storage Fund plc is an investment trust and has been compliant with section 1158 of The Corporation Tax Act, 2010. The ordinary shares were admitted to trading on the Premium Segment of the Official List of the London Stock Exchange on 25 May 2018.

The Board of Gore Street Energy Storage Fund plc has considered the principals and provisions of the Association of Investment Companies Code of Corporate Governance (**AIC Code**). The AIC Code addresses the Principals and Provisions set out in the UK Corporate Governance Code (the **UK Code**), as well as setting out additional Provisions on issues that are of specific relevance to the Company.

The Board considers that reporting against the Principals and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to shareholders.

The Company has complied with the Principals and Provisions of the AIC Code. The AIC Code is available on the AIC website (www.theaic.co.uk/aic-code-of-corporate-governance-0) It includes an explanation of how the AIC Code adopts the Principals and Provisions set out in the UK Code to make them relevant for investment companies. The Company is a member of the Association of Investment Companies.

Compliance with the 2019 Association Of Investment Companies (Aic) Code

The below table sets out the Company's compliance with the 2019 AIC Code:

Section 5: Board Leadership and Purpose		
Principle/Provision		**Details of how the Company complies**
A	A successful Company is led by an effective board, whose role is to promote the long-term sustainable success of the Company, generating value for shareholders and contributing to wider society.	Strategic report, pages 5 to 7 Chairman's Statement, pages 6 to 7 Corporate Governance Report, pages 30 to 40
B	The Board should establish the Company's purpose, values, and strategy, and satisfy itself that these and its culture are aligned. All Directors must act with integrity, lead by example, and promote the desired culture.	Strategic report, pages 5 to 7 Chairman's Statement, pages 6 to 7 Corporate Governance Report, pages 30 to 40
C	The Board should ensure that the necessary resources are in place for the Company to meet its objectives and measure performance against them. The Board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Environmental, social and governance report, page 6 Principal risks and uncertainties, pages 21 to 22 Audit Committee report, pages 41 to 44
D	In order for the Company to meet its responsibilities to shareholders and stakeholders, the Board should ensure effective engagement with, and encourage participation from, these parties.	Stakeholders, page 27 Section 172 statement, pages 27 to 28 Corporate Governance Report, pages 30 to 40
E	[Intentionally left blank] [Per the AIC Code]	

Section 6: Division of Responsibilities		
	Principle/Provision	**Details of how the Company complies**
F	The chair leads the Board and is responsible for its overall effectiveness in directing the Company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non-executive directors, and ensures that Directors receive accurate, timely and clear information.	Chairman's Statement, pages 6 to 7 Corporate Governance Report, pages 30 to 40
G	The Board should consist of an appropriate combination of Directors (and, in particular, independent non-executive directors) such that no one individual or small group of individuals dominates the Board's decision making.	Corporate Governance Report, pages 30 to 40 Biographies, pages 36 to 37 Remuneration and Nomination Committee report, pages 45 to 48
H	Non-executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold third party service providers to account.	Corporate Governance Report, pages 30 to 40 Remuneration and Nomination Committee report, pages 45 to 48 Audit Committee report, pages 41 to 44 Management Engagement Committee report, pages 49 to 50
I	The Board, supported by the Company Secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	Corporate Governance Report, pages 30 to 40 Audit Committee report, pages 41 to 44

Section 7: Composition, Succession and Evaluation		
	Principle/Provision	**Details of how the Company complies**
J	Appointments to the Board should be subject to a formal, rigorous and transparent procedure, and an effective succession plan should be maintained. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	Remuneration and Nomination Committee report, pages 45 to 48
K	The Board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the Board as a whole and membership regularly refreshed.	Biographies, pages 36 to 37

Section 7: Composition, Succession and Evaluation		
	Principle/Provision	**Details of how the Company complies**
L	Annual evaluation of the Board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	Remuneration and Nomination Committee report, pages 45 to 48

Section 8: Audit, Risk and Internal Control		
	Principle/Provision	**Details of how the Company complies**
M	The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of external audit functions and satisfy itself on the integrity of financial and narrative statements.	Audit Committee report, pages 41 to 44 Notes 2 and 3 to the financial statements, pages 65 to 66
N	The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	Strategic report, pages 5 to 7 Audit Committee report, pages 41 to 44 Independent Auditors report, pages 51 to 58 Financial statements, pages 60 to 64
O	The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the principal risks the Company is willing to take in order to achieve its long-term strategic objectives.	Principal risks and uncertainties, pages 21 to 22 Viability statement, page 26 Audit Committee report, pages 41 to 44 Management Engagement Committee report, pages 49 to 50

Section 9: Remuneration		
	Principle/Provision	**Details of how the Company complies**
P	Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	Strategic report, pages 5 to 7 Corporate Governance Report, pages 30 to 40 Remuneration and Nomination Committee report, pages 45 to 48
Q	A formal and transparent procedure for developing policy on remuneration should be established. No director should be involved in deciding their own remuneration outcome.	Remuneration and Nomination Committee report, pages 45 to 48
R	Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of Company and individual performance, and wider circumstances.	Remuneration and Nomination Committee report, pages 45 to 48

The Board

The Board consists of four non-executive directors, representing a range of public service, investment, financial and business skills, and has a depth of experience across these categories. The Chairman of the Board is Patrick Cox. In considering the independence of the Chairman, the Board took note of the provisions of the UK Code relating to independence and has determined that Mr Cox is an independent Director. The Senior Independent Director is Mr Thomas Murley. The Company has no employees and consequently there is no requirement for a chief executive.

In accordance with the AIC Code, all the Directors will retire at the forthcoming AGM. Patrick Cox, Caroline Banszky, Thomas Murley and Malcolm King, being eligible, will offer themselves for re-election.

Full board meetings take place quarterly and the Board meets or communicates more regularly to address specific issues. The Board has a formal schedule of matters reserved for its decision which includes, but is not limited to considering recommendations of the Investment Manager.

The Board has also established procedures whereby the Directors wishing to do so in the furtherance of their duties may take independent professional advice at the expense of the Company.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary provides the Board with full information on the Company's assets and liabilities and other relevant information requested by the Chair, in advance of each board meeting.

In keeping with the provisions of the AIC Code, the Company's policy is that every three years an external consultant, who has no connection with the Company, carries out a formal review of the Board's performance. The first such review will take place in 2021. In the intervening years, an internal board evaluation will be carried out with the assistance of the Company Secretary. Details on the internal board evaluation carried out in 2020 can be found in the Remuneration and Nomination Committee Report.

Board Responsibilities

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and the investment policy and have overall responsibility for the Company's activities including its strategy, investment activities and reviewing the performance of the portfolio.

The Board has a clearly articulated set of matters which are specifically reserved to it and this is reviewed annually. These include:

- The strategic direction of the overall business, objectives, budgets and forecasts, levels of authority to approve expenditure, and any material changes to them.
- The commencement, material expansion, diversification, or cessation of any of the Company's activities.
- The Company's regulatory, financial, and material operational policies.
- Changes relating to the Company's capital, corporate, management or control structures.
- Material capital or operating expenditures, outside predetermined tolerances or beyond the delegated authorities.
- Any material contract or joint venture and material arrangements with customers or suppliers.

The Board may delegate certain functions to other parties such as the Board committees, the Investment Manager, the Administrator, the Company Secretary and the Registrar. In particular, the Board has delegated responsibility for day to day management of the investments comprised in the Company's portfolio to the Investment Manager. The Directors have responsibility for exercising supervision of the Investment Manager.

Culture & Purpose

In light of the new governance requirements, the Board has devoted time this year to reviewing its culture and how this aligns with the Company's purpose and strategy. As a young company, our purpose and values are clear and fresh, and we believe that the culture required to support these is straightforward and apparent – respectful, pragmatic and to provide constructive challenge.

Our culture is driven by our purpose and core values.

Our purpose is to deliver seven percent income yield per annum and long-term capital growth to its investors from its portfolio of utility-scale energy storage assets located in the UK and the rest of the OECD.

This forms the foundation of our strategic framework.

Our core values are:

- To focus on the long term sustainability of our business.
- To act openly and transparently with all our stakeholders.
- To combine entrepreneurial nimbleness with the strength of a listed company.

Board Committees

The Board has delegated a number of areas of responsibility to its three committees, the Audit Committee, the Management Engagement Committee and the Remuneration and Nomination Committee. Each committee has defined terms of reference and duties.

All the independent Directors serve on the Committees of the Board, so the links and overlaps between the responsibilities of the committees, are fully recognised and each committee has full knowledge of the business and deliberations of the other committees.

In addition, the Investment Manager, as AIFM, has a Risk Committee, comprised of members of its own staff for the purposes of monitoring the risk management framework of the Company.

Alternative Investment Fund Manager Directive ("AIFMD")

The Company is an Alternative Investment Fund (AIF) for the purposes of the AIFMD and related regimes in EEA member states.

Service and Support

The Company has no employees and is externally managed by the Investment Manager as the mandatory Alternative Investment Fund Manager, supported by the Administrator.

The Management Engagement Committee formally reviews the performance of the Investment Manager, the Administrator and other service providers each year and makes recommendations to the Board as it considers appropriate. Further details of these reviews, and the relationships with the Investment Manager and Administrator are given in the Management Engagement Committee Report on pages 49 to 50.

The Investment Manager

Mirabella Financial Services LLP ("Mirabella") was the AIFM and following approval by the FCA appointed Gore Street Capital Limited to act as its AIFM in place of Mirabella, to provide investment advice to the Company in respect of the assets of the Company and to provide the day-to-day management of those investments. Mirabella's services were terminated on 31 December 2019, upon the appointment of the Investment Advisor as the new AIFM. The transition was undertaken in open dialogue with no termination payment applicable.

The new AIFM will receive a further £75,000 in addition to its fee outlined in the Advisory and Services Agreement. This is to cover the incremental cost of providing additional services as AIFM.

The Depositary

Indos Financial Limited are the Depositary to the Company.

The Administrator

JTC (UK) Limited (JTC) was Administrator to the Company. On 1 April 2020, JTC ceased to provide Administration services and Sanne Group Administration Services (UK) Limited were appointed to fulfil the function of Administrator.

During the year ended 31 March 2020, as Administrator, JTC on behalf of the Directors, is responsible for the maintenance of the books and records, the management and financial accounts, and the management of all cash movements of the Company and the calculation, in conjunction with the Investment Manager, of the Net Asset Value of the Company.

The Company Secretary

JTC are Company Secretary to the Company. As Company Secretary, JTC is responsible for the production of the Company's accounts, regulatory compliance and providing support to the Board's corporate governance process and its continuing obligations. In addition, JTC is responsible for liaising with the Company, the Investment Manager and the Registrar in relation to the payment of any dividends, as well as general secretarial functions required by the Companies Act.

Meetings and Attendance

Member	Board	Audit Committee	Management Engagement Committee	Remuneration and Nomination Committee
Patrick Cox	4/4	3/3	1/1	1/1
Caroline Banszky	4/4	3/3	1/1	1/1
Malcolm King	4/4	3/3	1/1	1/1
Thomas Murley	4/4	3/3	1/1	1/1

The Board meets formally on a quarterly basis and our attendance is shown in the table above. We also have ad hoc meetings which are generally called to approve special announcements or transactions and frequently involve a quorate sub-committee of the Board, which is appointed as necessary. The table above gives the names of all of the Directors who served during the year and shows each individual Director's attendance at the scheduled board and committee meetings for which they were eligible to attend during the year.

JTC attend all our meetings as Secretary to the Board. In addition, we invite representatives of the Investment Manager, our Independent Auditor and other advisors to attend as required.

The Board Agenda

At our quarterly meetings, the Board follows a formal agenda. This agenda generally includes, amongst other things:

1. The Investment Manager's report for the period, including strategic performance and acquisitions, a review of the performance of the investments, operator performance and market conditions.
2. The AIFM report for the period, including discussion of risk.
3. The Depositary Report for the period.
4. Financial results against budget and cash flow forecasts, including dividends declared and forecast.
5. Reports and updates on shareholder and investor communications.
6. The Corporate Governance and Secretary's Report, with a review of policies and procedures, a compliance report, and an update on legislative/regulatory obligations as appropriate.
7. Recommendations and updates from the Board committees as appropriate.

Key Activities of the Board during 2019/2020

The primary focus at regular Board meetings has been on delivering the strategy and monitoring performance against our strategic objectives (see the Strategic Report on pages 5 to 7 for more details). This included:

- Considering our capital structure.
- Raising additional equity.
- Discussing and approving portfolio acquisitions.
- Reviewing conflicts of interest register and significant shareholdings.
- Reviewing the Risk Register.
- Considering our culture and how it aligns with the Company's purpose.
- Approval of quarterly NAV and dividend.
- Approval of the change in Investment Manager.
- Approval of the interim report.
- Monitoring performance of investments, risks and market conditions
- Review of financial results against budget and cash flow forecasts including dividends declared and forecast.

Board of Directors

Patrick Cox
Chairman

Mr Cox has significant board experience and is currently the Chairman of the Public Interest Committee for KPMG Ireland, a member of the Appointment Advisory Committee for the European Investment Bank, Chairman of Supernode Ltd, a non-executive director of Appian Asset Management Ltd and a non-executive director Ecocem Ltd. He also sits on the Boards of various think tanks and not-for- profit organisations, including as a Senior Fellow and Board Member of the Institute for International and European Affairs, Ireland, a Board Member of the Third Age Foundation Ireland, and President of Alliance Française Dublin. He was formerly the President of the European Parliament from 2002 – 2004, having been a Member of the European Parliament for Munster, Ireland from 1989 to 2004 and is now the European Coordinator for the Scandinavian-Mediterranean TEN-T Core Network Corridor, appointed by the European Commission. He has been bestowed National Honours by Presidents of Austria, Bulgaria, Estonia, Italy, Latvia, Lithuania and Romania, and is a Commander of the Legion of Honour, France. He is a graduate of Trinity College, Dublin and holds Honorary Doctorates from Trinity College Dublin, the National University of Ireland, the University of Limerick, the Open University and the American College Dublin.

Mr Cox was appointed on 22nd February 2018 and has been a Director to date. He sits on the Remuneration & Nomination Committee, the Audit Committee and the Management Engagement Committee.

Ms Caroline Banszky
Director

Ms Banszky is currently a non-executive director of 3i Group plc, where she is the Chairman of the Audit and Compliance Committee and a member of the Remuneration Committee, and a non-executive director of IntegraFin Holdings plc where she is Chairman of the Audit and Risk Committee. She is a past Committee member of the Association of Investment Companies (AIC) Self-Managed Investment Trusts, a director and General Committee member of The Caledonian Club Trustees Ltd, a director of the AllChurches Trust Limited and a member of their investment committee, a director of the UK Stem Cell Foundation and a member of the Investment Committee of The Open University. Prior to this, for 15 years to August 2016, she was the CEO of The Law Debenture Corporation plc. Between 1997 and 2002, she was the COO of SVB Holdings plc (now Novae Group plc, a Lloyd's listed and integrated company). Additionally, from 1981 to 1997, Ms Banszky worked at N.M. Rothschild & Sons Ltd, where she held various senior management roles including Finance Director and CFO. Ms Banszky is a graduate of the University of Exeter and is a Chartered Accountant, having trained at Peat Marwick & Mitchell (now KPMG).

Ms Banszky was appointed on 22nd February 2018 and has been a Director for 2 years and 1 month. She is the Chairman of the Audit Committee sits on the Remuneration & Nomination Committee, and the Management Engagement Committee.

Malcolm King
Director

Mr King has had a varied career in financial services, including over 30 years in investment management. For 10 years Mr King was the investment manager at Finsbury Asset Management where he was responsible for the investments of seven investment trusts. Subsequently he moved to J O Hambro Capital Management where he was director and investment manager of two investment trusts and a number of other portfolios. From 2004 until his retirement in 2016, Mr King worked at Investec Asset Management where he was the co-manager of various multi-asset funds invested in internal and external funds, including closed-ended funds. A Chartered Accountant, having trained at Peat, Marwick & Mitchell (now KPMG), he is currently a non-executive director of Henderson Opportunities Trust and Ecofin Global Utilities & Infrastructure Trust plc. He writes regularly for MoneyWeek as well as having a number of unpaid commitments. Mr King is an economics graduate of Trinity College, Cambridge.

Mr King was appointed on 22nd February 2018 and has been a Director for 2 years and 1 month. He sits on the Remuneration & Nomination Committee, the Audit Committee and the Management Engagement Committee.

Thomas Murley
Director

Mr Murley has been involved in investing in renewable energy projects for over 25 years in both Europe and the United States. From 2004 to 2016 Mr Murley was a director at HgCapital, a London-based private equity firm, where he established its renewable energy investment fund business which raised and invested over US$1 billion in equity in over 70 EU wind, solar, biomass and hydroelectric projects. From 2016 to 2018 Mr Murley continued to act as Chairman and Senior Advisor to the HgCapital Renewable Energy team, which spun out of HgCapital in December 2017 and is now trading as Asper Investment Management, serving on investment and portfolio committees. In 2012 Mr Murley was appointed as a non-executive director to the inaugural board of the UK Green Investment Bank, where he also served on the investment committee. Mr Murley remained on the Board until the privatisation of the Green Investment Bank in August 2017. In October 2016 he was appointed as an independent non-executive director of Ameresco Inc., a renewable energy and energy efficiency company listed on the New York Stock Exchange. Mr Murley also serves as an independent investment committee member for two private renewable energy investment funds, one based in New York and the other in Amman, Jordan. From 1993-2003 Mr Murley was a lawyer and later Managing Director of EIF Group in Boston Massachusetts, one of the first energy infrastructure funds, where he was responsible for equity investments and renewable and conventional power projects. Mr Murley was appointed a Director of JCM Power Ltd in September 2019. Mr Murley has a degree in History from Northwestern University in Evanston, Illinois and a Law Degree, with honours, from Fordham University in New York.

Mr Murley was appointed on 22nd February 2018 and has been a Director for 2 years and 1 month. He sits on the Remuneration & Nomination Committee, the Audit Committee and the Management Engagement Committee.

The Investment Committee

Frank Wouters

Frank Wouters is a non-executive member of the Board of Gore Street Capital. He is a Director of the EU-GCC Clean Energy Network which fosters clean energy partnerships between EU and GCC energy stakeholders. Previously he led the implementation of electricity projects worth more than $3 billion at Abu Dhabi's government-owned low-emissions project, Masdar and was the Deputy Director General of the International Renewable Energy Agency (IRENA).

Suminori Arima

Suminori Arima is a Managing Director at Gore Street Capital. He previously led renewable energy transactions as Managing Director of Kleinwort Benson and has worked as MD of RHJ International SA in Tokyo (parent company of Kleinwort Benson), responsible for PE investment management for over $1B of AuM and JP Morgan and McKinsey & Company.

Alex O'Cinneide

Alex O'Cinneide is the founder and CEO of Gore Street Capital and Chairman of the Investment Committee. His prior works includes acting as Managing Director and Head of Europe for Paladin Capital, a Senior Advisor to Kleinwort Benson Bank, serving on the Investment Committee of IndoChina Capital and leading investments for Masdar, Abu Dhabi's USD15 Billion SWF. He is a trustee of the London Irish Centre, a UNICEF Advisor and chair of its Climate Change Committee, a visiting researcher to the Energy Policy Group at Cambridge University, a Fellow of the Royal Geographical Society, and the Vice Chair of the Board of the Biomimicry Institute.

Information on the Investment Manager

The Company is managed by Gore Street Capital Limited which is authorised and regulated by the UK's Financial Conduct Authority ("FCA") as a full scope Alternative Investment Fund Manager (the "Investment Manager"). The Investment Management team has over 75 years of private equity and renewables experience and its offices are located in the UK.

The Investment Manager is responsible for deal origination, execution and asset management of the portfolio in accordance with the Company's investment objectives and policy. The Board has delegated authority to the AIFM to acquire or dispose of assets without seeking further approval from the Board provided that the Board is given the opportunity to consider each acquisition or disposal before it is concluded.

Once a potential project which falls within the Company's investment policy has been identified, and the Investment Manager wishes to proceed with the acquisition of such project, its Investment Committee approval is required to confirm that financial, legal and technical diligence suggests that the proposed transaction is consistent with the Company's investment policy.

Approach to risk management and internal control

The Directors acknowledge their responsibility for maintaining the Company's system of internal control and risk management, in order to safeguard the Company's assets. This system is designed to identify, manage, and mitigate the financial, operational and compliance risks that are inherent to the Company, and to manage rather than eliminate the risk of failure to achieve business objectives. As such, it can only provide reasonable, but not absolute, assurance against material misstatement or loss.

As part of each quarterly Board meeting during the period, the Directors reviewed the financial position of the Company and assessed any risks in relation to the Company's business model and the Company's future performance, liquidity and solvency. To facilitate this process the Investment Manager produced financial reports, which included the latest management accounts, a review and report on the Company's financial model, substantiation of any dividend payments and a general update on the financial health of the Company.

The Board considered whether the Company should employ an internal audit function during the period and concluded that, due to the Company's structure, the nature of its activities, and taking into account the controls already in place and, more particularly, the external service already provided by the Administrator and the Manager, an internal audit function was not necessary.

As part of the internal risk review, we identified that whilst the Administrator has its own internal audit performed on an annual basis, from which the Company reviews any findings and takes particular comfort, the Company should also independently assess whether these controls are sufficient and if they operate effectively.

Internal Control

Although the Board is ultimately responsible for safeguarding the assets of the Company, the Board has delegated, through written agreements, the day to day operation of the Company (including the Financial Reporting Process to the following advisers):

- Investment Advisor: Gore Street Capital Limited
- Investment Manager: Mirabella Financial Services LLP (up until 30 December 2019)
- Investment Manager: Gore Street Capital Limited (with effect from 31 December 2019)
- Administrator: JTC (UK) Limited (up until 31 March 2020)
- Administrator: Sanne Group (UK) Limited (with effect from 1 April 2020)
- Company Secretary: JTC (UK) Limited

The Board keeps under review the effectiveness of the systems of internal control and risk management, ensuring that the procedures to be followed by the advisers and themselves are in place to ensure that the controls remain relevant and were in operation throughout the year.

The Company's principal risks and uncertainties are detailed on pages 21 to 22 of this report. As further explained in the Audit Committee Report, the risks of the Company are outlined in a risk matrix which was reviewed and updated during the period. The Board continually reviews its policy setting and updates the risk matrix at least annually to ensure that procedures are in place with the intention of identifying, mitigating and minimising the impact of risks should they crystallise. The Board relies on reports periodically provided by the Investment Manager, Investment Advisor, and the Administrator regarding risks that the Company faces.

As part of its regular risk assessment procedures, the Board takes account of the significance of environmental, social and governance matters to the business of the Company. The Board has identified and assessed the significant ESG risks to the Company's short and long-term value, as well as the opportunities to enhance value that may arise from an appropriate response. Further information on the Company's approach to ESG can be found on page 6.

When required, experts are employed to gather information, including tax and legal advisors. The Board also regularly monitors the investment environment and the management of the Company's portfolio, and applies the principles detailed in the internal control guidance issued by the FRC. The principal features of the internal control systems which the Investment Manager, Investment Advisor and the Administrator have in place in respect of the Company's financial reporting include:

- Internal reviews of all financial reports.
- Review by the Board of financial information prior to its publication.
- Authorisation limits over expenditure incurred by the Company.

- Review of valuations.
- Authorisation of investments.

Whistleblowing

The Board has considered the UK Code recommendations in respect of arrangements by which staff of the Investment Manager, Company Secretary or Administrator may, in confidence, raise concerns within their respective organisations about possible improprieties in matters of financial reporting or other matters. It has concluded that adequate arrangements are in place for the proportionate and independent investigation of such matters and, where necessary, for appropriate follow up action to be taken within their organisation.

Relations with Shareholders

The Company places great importance on communication with its Shareholders, and welcomes the views of Shareholders. The Investment Manager is available at all reasonable times to meet with principal Shareholders and key sector analysts. The Chairman, the Senior Independent Director and other Directors are also available to meet with Shareholders if required. All Shareholders have the opportunity to put questions to the Company at the registered address.

The Company's AGM is scheduled to be held on 12 August 2020 and notice of the meeting is published accompanying the Annual Report and Accounts. Given the unprecedented circumstances, the Board will be moving forward with the AGM but has decided to put in place contingency arrangements that mean the AGM will not follow its usual format. In so doing, the Board is relying on the provisions of the Corporate Insolvency and Governance Act 2020. Only the statutory, formal business (consisting of voting on the resolutions proposed in the Notice of AGM) to meet the minimum legal requirements will be conducted and the AGM will proceed as set out below:

- the AGM will be held virtually via videoconference, there will therefore be no place of meeting;
- there will be no presentation at the AGM,
- Shareholders cannot attend the meeting in person, there will therefore be no opportunity to ask questions of the Board or of the Investment Manager at the meeting (although there will be an opportunity to ask questions in advance of the meeting and further information in relation to this is given below);
- the votes on the resolutions to be proposed at the AGM will be conducted on a poll and the chairman of the meeting will vote on a poll in accordance with the proxies held; and
- the results of the proxy votes will be published immediately following the conclusion of the AGM by way of a stock exchange announcement and on the Company's website.

Although this is a very unusual approach, the Board considers that given the social distancing measures currently in force and in light of the latest published government guidance and provisions of the Corporate Insolvency and Governance Act 2020, proceeding with a "technical" AGM is in the best interests not only of the Company, but also of each of its individual shareholders.

The Board will continue to monitor the Government's advice and urges all Shareholders to comply with any restrictions in place at the time of the AGM. If circumstances change and if social distancing measures are further relaxed before the AGM, the Company may consider amending the proposed format of the AGM. In such circumstances the Company will notify shareholders of any changes to the proposed format for the AGM as soon as possible via RIS and its website (www.gsenergystoragefund.com)

The Board receives comprehensive Shareholder reports from the Company's Registrar and regularly monitors the views of Shareholders and the Shareholder profile of the Company. The Board is also kept fully informed of all relevant market commentary on the Company by the Investment Manager.

Shareholders may also find Company information or contact the Company through its website:

www.gsenergystoragefund.com

The terms of reference of the Committees and the conditions of appointment of non-executive directors are available to Shareholders on request.

Patrick Cox
Director
15 July 2020

3.4 Audit Committee's Report

The Audit Committee (the **Committee**) is chaired by Caroline Banszky and comprises all the directors. The Committee operates within clearly defined terms of reference and includes all matters indicated by Rule 7.1 of the UK FCA's DTRs and the AIC Code. The terms of reference were reviewed during the year under review and were updated to enhance the Committee's scope to consider key risks facing the Company. The Board is satisfied that the Committee is properly constituted with at least one member of the Committee who is a chartered accountant with recent and relevant financial experience.

The Committee plays an important role in the governance of the Company, with its principal activities focused on the integrity of financial reporting, quality and effectiveness of external audit, risk management and the system of internal control.

The Committee meets a minimum of twice a year, and at such other times as the Committee shall require. The Administrator and representatives of the Investment Manager may be invited to attend meetings as and when deemed appropriate.

Meetings

We met three times during the financial year ended 31 March 2020. These meetings were attended by the committee members, as well as representatives of the Investment Manager, Gore Street Capital Limited, the Company Secretary, JTC (UK) Limited, the Independent Auditor, EY LLP and the independent valuer BDO LLP.

The Audit Committee operates within clearly defined terms of reference which were put in place in this term, the first period of operation, and approved by the Board. The terms of reference include all matters indicated by Disclosure Guidance and Transparency Rule 7.1 and the AIC Code.

Third parties may be invited to attend meetings as and when deemed appropriate.

Summary of the Role and Work of the Audit Committee

The function of the Committee is to ensure that the Company maintains the highest standards of integrity, financial reporting, internal and risk management systems and corporate governance. The main duties of the Audit Committee are:

1. Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them.
2. Reporting to the Board on the appropriateness of the Board's accounting policies and practices including critical judgement areas and going concern and the viability statements.
3. Reviewing the valuation of the Company's investments prepared by the Investment Manager and their underlying assumption, we review the work of the independent valuer BDO LLP bi annually prior to making a recommendation to the Board on the valuation of the Company's investments.
4. Meeting regularly with the Auditor to review their proposed audit plan and the subsequent audit report, and assess the effectiveness of the audit process and the levels of fees paid in respect of both audit and non-audit work.
5. Making recommendations to the Board in relation to the appointment, re-appointment or removal of the Auditor, and approving their remuneration and the terms of their engagement.
6. Monitoring and reviewing annually the Auditor's independence, objectivity, expertise, resources, qualification and non-audit work.
7. Reviewing the effectiveness of the accounting and internal control systems of the Company and considering annually whether there is a need for the Company to have its own internal audit function.
8. Reviewing and considering the UK Code, the AIC Code, the FRC Guidance on Audit Committees and the Company's institutional investors' commitment to the UK Stewardship code; and
9. Reviewing the risks facing the Company and monitoring the risk matrix.

The Audit Committee is required to report formally to the Board on its findings after each meeting on all matters within its duties and responsibilities.

Overview

During the year, the Audit Committee has had regular contact and meetings with the Investment Advisor, the Administrator and the Independent Auditor. These meetings and discussions focused on, but were not limited to:

1. A detailed analysis of the Company's quarterly NAVs.
2. Reviewing the risk matrix of the Company.
3. Reviewing the Company's corporate governance framework.
4. Reviewing the internal controls framework for the Company, and those of the Administrator and the Investment Advisor with respect to the Company.
5. Considering the ongoing assessment of the Company as a going concern.
6. Considering the principal risks which took into consideration the effects of the Covid-19 panedemic and period of assessment for the longer-term viability of the Company.
7. Reviewing the detailed stress tests for the viability of the Company to ensure that going concern basis is appropriate.
8. Monitoring compliance with AIFMD, the AIC code and other regulatory and governance frameworks.
9. Reviewing and approving the audit plan in relation to the audit of the Company's Annual Report and financial statements.

Financial Reporting

The primary role of the Committee in relation to financial reporting is to review with the Investment Advisor, the Administrator and the Auditor the appropriateness of the half-year report and Annual Report and financial statements, concentrating on, amongst other matters:

- The quality and acceptability of accounting policies and practices.
- The clarity of the disclosures and compliance with financial reporting standards and relevant financial and governance reporting requirements.
- Amendments to legislation and corporate governance reporting requirements and accounting treatment of new transactions in the year.
- The impact of new and amended accounting standards on the Company's financial statements.
- Whether the Audit Committee believes that proper and appropriate processes and procedures have been followed in the preparation of the half year report and Annual Report and financial statements.
- Whether the Annual Report and financial statements, taken as a whole, is fair, balanced, and understandable and provides the information necessary for shareholders to assess the Company's performance, going concern, viability, business model and strategy.
- Material areas in which significant judgements and estimates have been applied or there has been discussion with the Auditor; and
- Any correspondence from regulators in relation to the Company's financial reporting.

EY LLP, the Independent Auditor, attended the formal Audit Committee meetings held during the period. Matters discussed include the Independent Auditor's assessment of interactions with the Investment Manager, Investment Manager and the Administrator, confirmation that there has been no restriction in scope placed on them, the independence of their audit and how they have exercised professional skepticism.

Significant Issues

The Audit Committee discussed the planning, conduct and conclusions of the external audit as it proceeded. At the Audit Committee meeting in advance of the year end, the Audit Committee discussed and approved the Independent Auditor's audit plan. The Audit Committee considered:

- the more bespoke disclosure regarding the assessment of going concern and long term viability for the required statements by the Board which took into consideration the effects of Covid 19 pandemic and having completed the assessment do not consider it to be a key area of risk for the Company; and
- identified the carrying value of investments as a key area of risk of misstatement in the Company's financial statements.

Assessment of the Carrying Value of Investments

The Company's accounting policy is to designate investments at fair value. As a consequence, the Committee reviewed valuation policies processes and application. The most influential area of judgement within the Accounts relates to the valuation of these investments. The key estimates and assumptions include the useful life of the assets, revenue estimates, the discount factors utilised, the rate of inflation, and the price at which the power and associated benefits can be sold. In particular, the Audit Committee carefully considered the impact of the change in Capacity Market Income recognition and associated assumptions in relation to the valuation of the assets that have been included in the 31 March 2020 valuation. At the year end, the Company engaged BDO as independent valuation experts/advisors to help the committee form a view as to the reasonableness as to the valuations.

The uncertainty involved in determining the fair value investment valuations represents significant risk in the Company's financial statements. An inherent risk of management override is present as the Investment Manager's fee is calculated based on NAV (as disclosed in note 22 to the financial statements). The Investment Manager is responsible for calculating the NAV with the assistance of the Administrator, prior to approval by the Board.

On a quarterly basis, the Investment Manager provides a detailed analysis of the NAV. This analysis highlights any movements and assumption alterations to the NAV of the previous quarter. NAV movements and the principles behind changes in assumptions are considered and challenged by the Chairman of the Audit Committee and subsequently approved by the Board. The Audit Committee is satisfied that the key estimates and assumptions used within the valuation model are appropriate and that the investments have been fairly valued.

Internal Control

The Audit Committee has established a set of ongoing processes with a view to satisfying particular needs of the Company with respect to managing the risks to which it is exposed. The process is one whereby the Investment Manager has identified the key risks to which the Company is exposed and recorded them on a risk matrix together with the controls employed to mitigate these risks. The Audit Committee is responsible for reviewing the risk matrix and associated controls before recommending to the Board for consideration and approval. The Audit Committee is also responsible for challenging the Investment Manager's assumptions to ensure a robust internal risk management process. By their nature, these procedures provide a reasonable, but not absolute, assurance against material misstatement or loss. Regular reports are provided to the Audit Committee highlighting material changes to risk ratings.

The Audit Committee discussed and reviewed the internal controls in place at the Investment Advisor and the Administrator. Discussions were centered around assurances at operational level; internal oversight; and independent objective assurance.

The Audit Committee concluded that these frameworks were appropriate for the identification, assessment, management and monitoring of financial, regulatory and other risks, with particular regard to the protection of the interests of the Company's Shareholders.

Internal Audit

The Audit Committee has concluded that an Internal Audit function specific to the Company is not considered a necessary requirement at this juncture.

External Auditor

Effectiveness of the Audit Process

The Audit Committee assessed the effectiveness of the audit process by considering EY LLP's fulfilment of the agreed audit plan. This assessment included the review of reporting presented to the Audit Committee by EY LLP and the discussions at the Audit Committee meeting, highlighting such issues that arose during the course of the audit. In addition, the Audit Committee also sought feedback from the Investment Manager and the Administrator on the effectiveness of the audit process. For this financial period, the Audit Committee was satisfied that there had been appropriate focus and challenge on the primary areas of audit risk and assessed the quality of the audit process to be good.

Non-Audit Services

The Audit Committee seeks to ensure that any non-audit services provided by the Independent Auditor do not conflict with their statutory and regulatory responsibilities, as well as their independence, before giving written approval prior to their engagement.

The Audit Committee has a policy regarding the provision of non-audit services by the external Auditor which precludes the Independent Auditor from providing any of the prohibited non-audit services as specified in the FRC Revised Ethical Standard December. The Audit Committee monitors the Company's expenditure on non-audit services provided by the Company's Auditor, who should be engaged for non-audit services in circumstances where they are deemed to be the most commercially viable supplier, and prior approval of the Audit Committee has been sought. The Audit Committee was satisfied that the provision of these Non-Audit Services did not provide threats to the Independent Auditors independence.

Independence

The Audit Committee is required to consider the independence of the Independent Auditor. In fulfilling this requirement, in addition to its own internal assessment, the Audit Committee has considered a report from EY LLP describing its arrangements to identify, report and manage any conflict of interest and the extent of non-audit services provided by them. The Audit Committee has concluded that it considers EY LLP to be independent of the Company.

Annual General Meeting

Due to the closed nature of the Company's AGM, it is not anticipated that the Chairman of the Audit Committee will be present at the Company's AGM to answer questions on the Audit Committee's activity and matters within the scope of the Audit Committee's responsibilities.

Fair, Balanced and Understandable Statements

The production and audit of the Company's Annual report and accounts is a comprehensive process, requiring input from a number of contributors. To reach a conclusion on whether the Company's annual report and accounts, taken as a whole, are fair, balanced and understandable, as required under the AIC Code, the Board requested that the Audit Committee advise on whether we considered that the Annual Report fulfilled these requirements.

In outlining our advice, we considered the detailed reviews undertaken at various stages of the production process by the Investment Manager, third party independent valuer, BDO LLP, Administrator and the Audit Committee, which are intended to ensure consistency and overall balance. We then discussed with the Investment Manager and Administrator the process of how this was put together and received a series of drafts of the Company's Annual report and accounts. These were scrutinised and discussed thoroughly at two separate Audit Committee meetings. Additional comfort was also sought from the Investment Manager and Administrator in relation to the conclusion reached by the Board.

As a result of the work performed, we have concluded and reported to the Board that the Annual Report and accounts for the period ended 31 March 2020, taken as a whole, are fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy.

Effectiveness of the committee

A detailed and rigorous evaluation of the Committee was undertaken as part of the overall evaluation. The skills and experience of the members was found to appropriate, including recent and relevant financial experience.
The Committee will be concentrating on personal development and training as the regulatory focus on audit and Audit Committees increases. The Committee was found to be functioning effectively.

Caroline Banszky
Chairman of the Audit Committee
15 July 2020

3.5 Remuneration & Nomination Committee Report

The Board has prepared this report in line with the AIC Code as well as the requirements of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI2008/410) and the Companies Act 2006.

Under the requirements of Section 497 of the Companies Act 2006, the Company's Auditor is required to audit certain disclosures contained within the report. These disclosures have been highlighted and the audit opinion thereon is contained within the Auditor's Report on pages 51 to 58.

Annual Statement from the Chairman of the Remuneration & Nomination Committee

The Committee comprises of the full Gore Street Energy Storage Fund Plc Board with Pat Cox as Chair and consists solely of non-executive directors. All of the Directors are independent from the Investment Manager.

It has been a fairly straight forward year for the Committee, despite the wider market changes in corporate governance. We have conducted a gap analysis of the new governance and regulatory requirements against our current practices and reporting and it is clear that the majority of the changes to remuneration reporting and approvals do not apply to the Company as we have no executive directors or employees. We made some minor associated changes to the Committee's terms of reference.

We concluded that there is no need to change the remuneration policy this year, the policy being approved in 2019.

In accordance with the articles of association and the AIC Code, we considered the current levels of remuneration and whether they reflect the time commitment and responsibilities the Company calls for. We decided that an increase would be considered during 2020 matched to reflect the growth of the Company. We have asked the Investment Manager to conduct a peer review to ensure that any change matches current market trends.

Role

The committee has two roles with various functions, the most important of which are:

(1) Remuneration

The Committee has responsibility for reviewing the remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role and meets at least annually. The Committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards and members have access to independent advice where they consider it appropriate.

During the year neither the Board nor the Committee has been provided with external advice or services by any person but has received industry comparison information from the Investment Manager in respect of the Directors' remuneration. The remuneration policy set by the Board is described below. Individual remuneration packages are determined by the Remuneration and Nomination Committee within the framework of this policy.

The Directors are not involved in deciding their own individual remuneration, with each Director abstaining from voting on their own remuneration.

Remuneration Policy

Below is Gore Street's remuneration policy. This policy was adopted on 14 August 2019 and will next be put to a Shareholder vote at the 2022 AGM.

The Company's policy is to determine the level of Directors' fees with due regard to the experience of the Board as a whole, the time commitment required, and to be fair and comparable to non-executive directors of similar companies. The Company may also periodically choose to benchmark Directors' fees with an independent review to ensure they remain fair and reasonable.

Directors' fees will be adjusted from time to time and will be subject to Shareholder approval in the subsequent AGM. The Directors may elect to apply the cash amount equal to their annual fee to subscribe for, or to purchase, ordinary shares. The Directors are entitled only to their annual fee and their reasonable expenses. No element of the Directors' remuneration is performance related, nor does any Director have any entitlement to pensions, share options or any long-term incentive plans from the Company.

The Directors hold their office in accordance with the Articles of Association and their appointment letters. No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the Articles of Association and without compensation.

Under the Company's Articles of Association, all Directors are entitled to remuneration determined from time to time by the Board and approved by the Shareholders.

Details of Directors' Remuneration (Audited)

The emoluments in respect of qualifying services of each person who served as a Director during the period are shown below. All the Directors are paid a basic annual fee of £18,000 quarterly in arrears for their services. In addition to this fee, Pat Cox is paid an additional £15,000 per annum for his role as Chair of the Board. Caroline Banszky is paid an additional £3,000 per annum for serving as Chair of the Audit committee. No Director has waived or agreed to waive any emoluments from the Company in the current year. No other remuneration was paid or payable by the Company during the current period, nor were any expenses claimed by or paid to them other than for expenses incurred wholly, necessarily and exclusively in furtherance of their duties as Directors of the Company.

Director	Period ended 31 March 2020 (£)	Period ended 31 March 2019 (£)
Pat Cox*	33,000	29,083
Caroline Banszky**	21,000	18,853
Malcolm King	18,000	16,295
Tom Murley	18,000	16,295
Total	**90,000**	**80,526**

* This includes £15,000 per annum in respect of serving as Chair of the Board.

** This includes £3,000 per annum in respect of serving as Chair of the Audit committee.

In accordance with FCA Listing Rules 9.8.6(R)(1), Directors' interest in the shares of the Company (in respect of which transactions are notifiable to the Company under FCA Disclosure and Transparency Rule 3.1.2(R)) as at 31 March 2020 were as follows:

Director	Number of ordinary shares	Percentage of Issued share Capital
Pat Cox	49,996	0.10%
Caroline Banszky	35,000	0.07%
Malcolm King	25,000	0.05%
Tom Murley	30,000	0.06%
Total	**139.996**	**0.28%**

All the Directors' share interests shown above were held beneficially.

Approval of the Remuneration Report

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to Shareholders at the forthcoming AGM.

Company-wide considerations

There are no executive directors, nor are there any employees of the Company, so there are no statements to make on any consultations, comparisons, or pay and employment conditions within the Company.

Recruitment

The same diversity policy will be applied for any recruitment purposes.

Statement of consideration of shareholder views

The levels of remuneration were set out in the Prospectus and did not receive any negative comment from the investment community before or after the IPO. The AGM will give the opportunity for opinions to be aired and demonstrated formally through the voting process and will provide the basis for future discussions and developments.

Payments to past directors or for loss of office

There are no payments to disclose. Under the terms of the Directors' Remuneration Policy there would be no compensation for loss of office.

Statement of implementation of remuneration policy for financial year 2020

The remuneration levels for the Board were set at the time of the IPO in May 2018 at a reduced level to reflect the amount of equity raised of £30m. There have been no changes since that time. The market capitalisation of the company is now in excess of £52m and as such it is considered appropriate to review the amounts that the Board is paid. At the Remuneration and Nomination Committee Meeting held on 27 February 2020, a review of the current level of remuneration for each individual director took place. It was agreed that Directors' Remuneration would be adjusted to bring in line with the Company's increased NAV growth with effect from 1 April 2020. It is envisaged that Directors' Remuneration will be reviewed periodically and adjusted so that it increases as the Company raises additional equity. The adjusted remuneration for 2020/2021 is:

Director	Annual Fee 2019/20 £	Annual Fee 2020/2021
Pat Cox	33,000	37,000
Caroline Banszky	21,000	25,000
Malcolm King	18,000	21,000
Tom Murley	18,000	21,000

External Advisors

The Board has not received any external advice with respect to remuneration and has not appointed an external remuneration Advisor.

Statement of voting at general meeting

The Directors Remuneration Policy was put to a binding vote at the AGM on 14 August 2019 and is due for renewal at the AGM in 2022. The Directors Remuneration Report was subject to an advisory vote at the AGM on 14 August 2019.

The voting outcome is set out in the table below:

	Resolution approve directors' remuneration report	Resolution approve remuneration policy
Votes for*	19,676,187	19,676,187
%	97.77%	97.77%
Votes against	447,015	447,015
%	2.22%	2.22%
Total votes validly cast	20,123,202	20,123,202
Total votes cast as a percentage of issued share capital	65.76%	65.76%
Votes withheld+	9,500	9,500

*includes discretionary vote

+A vote withheld is not a vote in law is not counted in the calculation of votes for or against a resolution.

(2) Nomination

Reviewing annually the structure, size, and composition (including the skills, knowledge, and experience) required of the Board and making recommendations to the Board with regard to any necessary changes.

Considering the succession planning and replenishment of Directors as the Board and Company progresses, identifying and nominating candidates to fill Board vacancies as and when they arise and taking into account the challenges and opportunities facing the Company, and what skills and expertise are needed on the Board for the future.

Reviewing annually the time required from the Directors and using performance evaluation to assess whether the Directors are spending enough time on their duties.

Diversity

The Board recognises the benefits that diversity brings. Our approach is to appoint the best possible candidate, considered on merit against objective criteria and in accordance with the Equality Act 2010, rather than to set quotas for a particular aspect that may deflect from achieving this fundamental target every time. At the date of this report, 25% of the Board was female.

In light of the ongoing development in governance best practice, the Committee decided that the Company should have a formal diversity policy, which the Board adopted on 19 September 2018. Diversity includes and makes good use of, differences in knowledge, and understanding of relevant diverse geographies, peoples, and their backgrounds including race or ethnic origin, sexual orientation, gender, age, disability or religion. Appointments to the Board will be made on merit and objective criteria, in the context of complimenting and expanding the skills, knowledge and experience of the Board as a whole.

Board Evaluation

A formal and rigorous board evaluation was conducted internally this year. It was based on a questionnaire covering a range of board level topics, with accompanying reviews of each Committee, which addressed issues specific to that Committee, as well as self-assessments by the Directors. The results were reviewed and discussed by the Remuneration and Nomination Committee and then the Board.

It was concluded that the Board members work effectively together to achieve the Company's objectives and that each director has the time and continues to contribute effectively.

The following actions were highlighted, and actions initiated where appropriate:

- Pressure needs to be maintained on clarity regarding strategy and decision making and more streamlined processes.
- The Audit Committee needs to introduce more rigor in meeting with the auditor without the Investment Manager.

- As part of good practice, the Board should contact the top shareholders, reminding them that they are available for discussion.
- Being a relatively new board the need to consider succession planning is not currently a priority but will need to be on the Nomination Committee's agenda for the future.

Patrick Cox
Chairman of the Remuneration and Nomination Committee
15 July 2020

3.6 Management Engagement Committee Report

Introduction

This has been a year of transition in how the Company is managed. Following approval by the FCA on 1 January 2020, Gore Street Capital Limited, who had been our Investment Advisor, was appointed as the UK Alternative Investment Fund Manager ("AIFM") to the Company. The Board were supportive of the proposed change which would streamline how the Company is managed and do so at lower cost. On 1 January 2020, Mirabella Financial Services LLP ("Mirabella") ceased to act as Investment Manager for the Company.

The Management Engagement Committee has a membership comprised of all the independent directors of the Company: Caroline Banszky, Malcolm King, Thomas Murley and me, Patrick Cox (Chair).

The Management Engagement Committee will meet as and when required, but formally at least once a year. It met on 27 February 2020. For the year under review, we have reviewed the performance of the key service providers and compliance by the Investment Advisor and AIFM.

JTC (UK) Limited attend our meetings as Secretary to the Committee. In addition, we will invite representatives of the Investment Advisor, the Investment Manager and our Independent Auditor to attend as required.

Role

The committee has several functions, the most important of which are:

- To review annually the compliance by the Investment Advisor and AIFM with the Company's investment policy, as established by the Board, and with the Advisory and Services Agreement entered into between the Company, the AIFM and the Investment Advisor.
- To review annually the performance of any other key service providers to the Company.

Investment Advisor and AIFM

Gore Street Capital Limited served as Investment Advisor during the year, and as AIFM to the Company from 31 December 2019. Under the terms of the Advisory and Services Agreement, the Investment Advisor provided certain advisory services to the Group including:

- Ongoing monitoring of the assets and asset management; and
- Sourcing potential opportunities in which the Company may invest.

Review of performance

The Committee reviewed the performance of the Investment Advisor, including the acquisitions made during the year, the processes in place to achieve these and the quality of advice and information provided to the Board to make decisions. The Board viewed the Investment Advisor's performance in these areas to be overall satisfactory.

We have determined that the Investment Advisor's appointment should continue, and asked the Board to ratify this decision, which it has done.

Review of the remuneration of the Investment Manager

Under the terms of the Advisory and Services Agreement, the Investment Advisor was entitled to a management fee together with reimbursement of reasonable expenses incurred by it in the performance of its duties.

The Investment Manager receives a management fee equal to one percent of the NAV of the Company, and is also entitled to a performance fee which is linked to share price at IPO plus a 7% hurdle, and is set out in the Prospectus.

In addition, it receives a short-term fee for development and management of assets through to completion of construction, for a maximum term of one and one-half years.

The Investment Manager is paid a further fixed fee of £75,000 per annum to cover the incremental costs of providing additional services as AIFM. The appointment of Gore Street Capital Limited as AIFM will result in a saving to the Company of £15,000 per annum.

The Committee reviewed the fee arrangements, compared them with comparable Investment Trusts and concluded that they were reasonable. The Committee agreed to undertake a full review of the Investment Manager's remuneration and terms and conditions in 2022.

Mirabella Financial Services LLP

During the period, Mirabella Financial Services LLP ("Mirabella") acted as AIFM to the Company up until 31 December 2019. Mirabella was appointed as AIFM to the Company to provide portfolio and risk management services. In this role it provided the customary services of discretionary investment management.

Under the terms of the AIFM Agreement, Mirabella was entitled to an annual fee of £90,000 together with reimbursement of all costs and expenses properly incurred by it in the performance of its duties.

Administrator and Company Secretary

- JTC (UK) Limited ("JTC") served as Administrator and Company Secretary during the period.
- Under the terms of the Administration Agreement, JTC is entitled to:

  (a) an annual fee in respect of the accounting and administration services it will provide of £25,000.

  (b) an annual fee in respect of the Company Secretary provision of £35,000; and,

  (c) an annual value fee of:

  - 0.1% of NAV to the extent that NAV is between £30m and £75m.
  - 0.05% of NAV to the extent that NAV is between £75m and £150m; and,
  - 0.04% of NAV to the extent that such NAV exceeds £150m.

Review of other service providers

- The Committee also reviewed the service level of the other service providers of the Company and concluded that performance was satisfactory and that the relevant appointments should continue.

Committee evaluation

- An evaluation of the Committee was undertaken as part of the overall evaluation. The Committee was found to be functioning effectively.

Patrick Cox
Committee Chair
15 July 2020

4 Independent Auditor's report to the members of Gore Street Energy Storage Fund Plc

Opinion

We have audited the financial statements of Gore Street Energy Storage Fund Plc (the "**Company**") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the statement of cash flows and the related notes 1 to 24, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, 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 principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 21 and 22 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 21 in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 26 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing the financial statements, and the directors' identification of any material uncertainties to the Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 7 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters	Valuation of investments Impact of Covid-19
Materiality	Overall materiality of £0.49m which represents 1% of net assets.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Valuation of investments (£30.41m, 2019: £6.48m) Refer to the Audit Committee Report (pages 41 to 44); Accounting policies (page 66); and Note 17 of the Financial Statements (pages 75 to 77) The accurate valuation of investments is fundamental to the Company's financial performance. The return generated by the investment portfolio is a key driver of the Company's returns. Due to the nature of the investment portfolio, i.e. that all investments are unlisted with no directly comparable listed investments, the underlying assumptions that drive the value of each asset are subjective. As a result, the valuation of the portfolio is susceptible to misstatement. The investment valuation approach requires sufficient rigour to eliminate the susceptibility of the investment valuations to bias. The valuation principles used are based on International Standards Valuation Council ("IVSC") valuation guidelines, using a discounted cash flow ("DCF") methodology.	We performed the following procedures: Gained an understanding of the Investment Advisor and Directors processes and controls surrounding investment valuations, by performing a walkthrough to evaluate the design and implementation of controls. Obtained and reviewed the valuation models for the related assets to assess whether the valuation methodology adopted is consistent with the requirements of IFRS and IVSC guidelines. Held discussions with management of the Investment Advisor to understand the key drivers to the cash flow projections included in the valuation models and assessed their appropriateness based on the nature of the asset and our understanding of the relevant markets. Engaged EY specialists for the review of the appropriateness of the discount rate used and the effect of macro-economic or industry related factors on the future cash flows of each asset by benchmarking them against externally available data for comparable investment projects or third-party valuations performed by the EY specialists.	The valuation of investments is determined to be within a reasonable range of fair values and are materially in accordance with IFRS and IVSC guidelines. The financial statement disclosures are in accordance with IFRS 13.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
The risk has increased in the current year due to the timing and uncertainty of the COVID-19 pandemic and the consequent impact on valuations.	Checked the clerical accuracy of the valuation models and agreed the inputs to supporting documents. Corroborated key revenue streams in the valuation models to supporting contracts and external forecasts. Performed back testing by comparing prior year revenue projections to current year actuals, to assess reasonableness of projections. Considered the impact of COVID-19 throughout the procedures performed on the valuation of unquoted investments, by challenging whether the valuation methodologies and assumptions used remained appropriate and in accordance with International Valuation Standards Committee (IVSC) guidelines. Evaluated whether financial statement disclosures were in accordance with IFRS 13.	
Impact of Covid-19 Refer to the Investment Manager's Report (pages 8 to 20); Directors' Report (pages 24 to 28); Basis of preparation (pages 65 to 66); and Note 24 of the Financial Statements (page 85) The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global financial markets, and as of the date of this report, the precise extent of that impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the financial statements.	We performed the following procedures: **Valuation of investments** Please see previous section "Valuation of investments" for discussion. **Going concern** We obtained and reviewed the Directors assessment of going concern which includes consideration of the impacts of COVID-19 on the business and challenged the assumptions made by the Investment Manager in the preparation of the forecast, including the ability to fund ongoing costs for the period under assessment.	Based on the procedures performed, we are satisfied that the Directors have appropriately considered the impact of COVID-19 on the going concern assessment and the valuation of investments and that adequate disclosures have been presented in the financial statements.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
The COVID-19 pandemic and resultant uncertainties had the most significant impact on our audit of the financial statements in the following areas: **Valuation of investments** The risk has increased in the current year due to the timing and uncertainty of the COVID-19 pandemic, particularly in respect of forecasting the impact of Covid-19 on the future profitability and cash flows of the underlying projects, and the consequent impact on valuations. **Going concern** There is increased risk due to the degree of uncertainty in the assumptions underlying management's assessment of future prospects, including the impact of COVID-19 and the ability to fund ongoing costs. **Financial statement disclosures** There is a risk that the impact of COVID-19 is not adequately disclosed in the financial statements.	We obtained and reviewed the stress and reverse stress tests prepared by the Investment Manager and challenged the assumptions made by the Investment Manager in the preparation of these tests. We also considered the likelihood of the occurrence of the reverse test scenario. We confirmed through discussion with the Investment Manager and the Directors that there is no utilisation of debt facilities. We corroborated these statements during our audit procedures by reviewing bank statements for unrecorded liabilities and review of contracts and agreements. We confirmed through discussion with the Investment Manager and the Directors that they are in close contact with key service providers and that Business Continuity Plans are in place with no significant deterioration of service being experienced. We have reviewed the Business Continuity Plans within the respective Administrators' ISAE 3402 reports, as well as, observed the ability of the Administrator, Investment Manager and Advisor's ability to continue operating as usual. **Financial statement disclosures** We reviewed the disclosures contained within the Annual Report and Financial Statements, including the commentary in the Chairman's Statement within the Strategic Report, the Principal Risks and Uncertainties note within the Investment Manager's Report, Going Concern and Viability Statement within the Directors' Report, the Audit Committee Report, the going concern disclosures within the Basis of Preparation note and fair value measurement disclosures, and Post Balance Sheet Events note to assess that the impact of COVID-19 has been included as appropriate.	

As a result of COVID-19, we re-assessed the risks determined at the planning stage of the audit and, due to the uncertainty in global markets caused by the COVID-19 pandemic, we revised our risk assessment to include the Key Audit Matter 'Impact of COVID-19'.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

As a result of COVID-19, we were unable to physically visit a sample of sites for the investment projects. We therefore obtained independent confirmations from the third-party revenue managers of the underlying projects in relation to existence.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £0.49m (2019: £0.28m), which is 1% of net assets. We believe that net assets are the most important financial metric on which shareholders would judge the performance of the Company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 50% of our planning materiality, namely £.25m (2019: £0.14m). We have set performance materiality at this percentage as this is the first year for the Company.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £.025m (2019: £.014m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages 1 to 58. The other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable (set out on page 44)** – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit committee reporting (set out on pages 41 to 44)** – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code (set out on page 30)** – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 29 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and have a direct impact on the preparation of the financial statements. We determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (IFRS as adopted by the EU, the Companies Act 2006 and UK Corporate Governance Code) and relevant tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations which may influence the determination of the amounts and disclosures in the financial statements including the Listing Rules of the UK Listing Authority.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with Management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their potential influence on efforts made by Management to manage NAV per share. We identified fraud and management override risks in relation to estimation uncertainty relating to the valuation of investments. Our audit procedures stated above in the 'Key audit matters section' of this Auditor's report were performed to address the fraud risk.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.
- A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- We were appointed by the Company on 19 September 2018 to audit the financial statements for the period ending 31 March 2019 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 2 years, covering the period ending 31 March 2020.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Caroline Mercer (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London
15 July 2020

Notes:

1. The maintenance and integrity of the Gore Street Energy Storage Fund plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.

2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Financial Statements

Statement of Comprehensive Income

For the Year Ended 31 March 2020

	Notes	Year Ended 31 March 2020 Revenue (£)	Capital (£)	Total (£)	Period 19 January 2018 to 31 March 2019 Revenue (£)	Capital (£)	Total (£)
Net gain/(loss) on investments at fair value through profit and loss	7	-	5,585,522	5,585,522	-	(565,064)	(565,064)
Investment income	8	915,111	-	915,111	139,341	-	139,341
Administrative and other expenses	9	(1,711,360)	-	(1,711,360)	(608,749)	-	(608,749)
Profit/(loss) before tax		(796,249)	5,585,522	4,789,273	(469,408)	(565,064)	(1,034,472)
Taxation	10	-	-	-	-	-	-
Profit/(loss) after tax and profit/(loss) for the year/ period		(796,249)	5,585,522	4,789,273	(469,408)	(565,064)	(1,034,472)
Total comprehensive income/(loss) for the year/ period		(796,249)	5,585,522	4,789,273	(469,408)	(565,064)	(1,034,472)
Profit / (loss) per share (basic and diluted) – pence per share	11			11.78			(3.38)

All Revenue and Capital items in the above statement are derived from continuing operations.

The Total column of this statement represents Company's Income Statement prepared in accordance with IFRS. The return on ordinary activities after taxation is the total comprehensive income and therefore no additional statement of other comprehensive income is presented.

The supplementary revenue and capital columns are presented for information purposes in accordance with the Statement of Recommended Practice issue by the Association of Investment Companies.

The notes on pages 65 to 85 form an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2020

Company Number 11160422

	Notes	31 March 2020 (£)	31 March 2019 (£)
Non – Current Assets			
Investments at fair value through profit or loss	12	**30,412,493**	6,482,964
		30,412,493	6,482,964
Current assets			
Cash and cash equivalents	13	**15,028,142**	17,223,770
Trade and other receivables	14	**4,963,527**	4,616,613
		19,991,669	21,840,383
Total assets		**50,404,162**	28,323,347
Current liabilities			
Trade and other payables	15	**713,659**	207,510
		713,659	207,510
Total net assets		**49,690,503**	28,115,837
Shareholders equity			
Share capital	20	**525,488**	306,000
Share premium	20	**19,707,058**	67,476
Special reserve	20	**186,656**	186,656
Capital reduction reserve	20	**25,516,500**	28,590,177
Capital reserve	20	**5,020,458**	(565,064)
Revenue reserve	20	**(1,265,657)**	(469,408)
Total shareholders equity		**49,690,503**	28,115,837
Net asset value per share	19	**0.95**	0.92

The annual financial statements were approved and authorised for issue by the Board of directors and are signed on its behalf by;

Patrick Cox
Chairman

Date: 15 July 2020

The notes on pages 65 to 85 form an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2020

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total shareholders equity (£)
As at 1 April 2019	306,000	67,476	186,656	28,590,177	(565,064)	(469,408)	28,115,837
Profit for the year	-	-	-	-	5,585,522	(796,249)	4,789,273
Total comprehensive profit for the year	-	-	-	-	5,585,522	(796,249)	4,789,273
Transactions with owners							
Ordinary shares issued at a premium during the year	219,488	20,235,032	-	-	-	-	20,454,520
Share issue costs	-	(595,450)	-	13,199	-	-	(582,251)
Dividends paid	-	-	-	(3,086,876)	-	-	(3,086,876)
As at 31 March 2020	**525,488**	**19,707,058**	**186,656**	**25,516,500**	**5,020,458**	**(1,265,657)**	**49,690,503**

Capital reduction reserve and revenue reserves are available to the Company for distributions to Shareholders as determined by the Directors.

The notes on pages 65 to 85 form an integral part of these financial statements.

Statement of Changes in Equity

For the Period 19 January 2018 (incorporation date) to 31 March 2019

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total shareholders equity (£)
As at 19 January 2018	-	-	-	-	-	-	-
Loss for the period	-	-	-	-	(565,064)	(469,408)	(1,034,472)
Total comprehensive loss for the period	-	-	-	-	(565,064)	(469,408)	(1,034,472)
Transactions with owners							
Ordinary shares issued at a premium during the period	306,000	30,294,000	-	-		-	30,600,000
Share issue costs	-	(531,691)	-	-		-	(531,691)
Issue of redeemable preference shares	12,500	-	-	-		-	12,500
Redemption of redeemable preference shares	(12,500)	-	-	-		-	(12,500)
Transfer to special reserve	-	(186,656)	186,656	-		-	-
Transfer to capital reduction reserve	-	(29,508,177)	-	29,508,177		-	-
Dividends paid	-	-	-	(918,000)		-	(918,000)
As at 31 March 2019	306,000	67,476	186,656	28,590,177	(565,064)	(469,408)	28,115,837

The notes on pages 65 to 85 form an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 March 2020

	Notes	Year Ended 31 March 2020 (£)	Period 19 January 2018 to 31 March 2019 (£)
Cash flows used in operating activities			
Profit/(loss) for the year/period		**4,789,273**	(1,034,472)
Net (profit)/loss on investments at fair value through profit and loss		**(5,585,522)**	565,064
Increase in trade and other receivables		**(346,914)**	(4,616,613)
Increase in trade and other payables		**506,149**	207,510
Net cash used in operating activities		**(637,014)**	(4,878,511)
Cash flows used in investing activities			
Purchase of investments		**(18,344,007)**	(8,561,656)
Proceeds from investments – return of capital		-	1,513,628
Net cash used in investing activities		**(18,344,007)**	(7,048,028)
Cash flows used in financing activities			
Proceeds from issue of ordinary shares at a premium		**20,454,520**	30,600,000
Share issue costs		**(582,251)**	(531,691)
Issue of redeemable preference shares		-	12,500
Redemption of redeemable preference shares		-	(12,500)
Dividends paid		**(3,086,876)**	(918,000)
Net cash inflow from financing activities		**16,785,393**	29,150,309
Net (decrease)/increase in cash and cash equivalents for the year/period		**(2,195,628)**	17,223,770
Cash and cash equivalents at the beginning of the year/period		**17,223,770**	-
Cash and cash equivalents at the end of the year/period		**15,028,142**	17,223,770

During the year, interest received by the Company totaled £634,192 (2019: £81,390).

The notes on pages 65 to 85 form an integral part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2020

1. General information

Gore Street Energy Storage Fund plc (the "Company") was incorporated in England and Wales on 19 January 2018 with registered number 11160422. The registered office of the Company is 7 Floor, 9 Berkeley Street, London, W1J 8DW.

Its share capital is denominated in Pound Sterling (GBP) and currently consists of ordinary shares. The Company's principal activity is to invest in a diversified portfolio of utility scale energy storage projects primarily located in the UK and the Republic of Ireland, although the Company will also consider projects in North America and Western Europe.

2. Basis of preparation

Statement of compliance

The annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and interpretations adopted by the European Union, and in accordance with the Companies Act 2006 as applicable to companies using IFRS. The Company has also adopted the Statement of Recommended Practice issued by the Association of Investment Companies which provides guidance on the presentation of supplementary information.

The financial statements have been prepared on a historical cost basis except for financial assets and liabilities at fair value through the profit or loss.

The Company is an investment entity in accordance with IFRS 10 which holds all its subsidiaries at fair value and therefore prepares separate accounts only.

Functional and presentation currency

The currency of the primary economic environment in which the Company operates (the functional currency) is Pound Sterling ("GBP or £") which is also the presentation currency.

Going concern

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries and bearing in mind the nature of the Company's business and assets, the Directors consider the Company to have adequate resources to continue in operational existence for the foreseeable future. As such, they have adopted the going concern basis in preparing the annual report and financial statements.

The impact of the Coronavirus pandemic (COVID-19)

Given the impact of the COVID-19 pandemic and the associated global lockdown, Gore Street Capital (the "Manager") on behalf of the Company has undertaken an assessment of the impact and risk to the Fund's viability over the next three years.

The full human and economic impact of the COVID-19 pandemic and resulting lock-down remains difficult to assess.

The Company's ability to generate revenue from its four operational assets continues and is unaffected by the pandemic. There was limited interruption in its construction activities for the two new assets in Northern Ireland. In addition, the EPC for the Northern Irish assets has reported that it anticipates short term supply chain delays as a result of COVID-19. However, the Company does not currently anticipate that the anticipated delays will impact the assets' ability to meet the market deadlines for commencement of service.

There has also been no interruption in contracting and design work for the two new assets (Kilmannock and Kilteel) in the Republic of Ireland.

The Directors have made an assessment of the going concern by reviewing the current performance, business outlook and the likely effects of COVID-19 in near term. A stress test analysis was undertaken on liquidity, the adequacy of the Company to meet its short-term obligations and its ability to remain operational within a three year timeframe. As part of this going concern assessment and stress testing, the Company assumed that the pandemic will impact investment activity and that no capital growth beyond the date of issue of this financial statement.

The going-concern analysis further assumes continued annual expenditure at the rate of current expenditure and continued discretionary dividend payments to shareholders at the target annual rate of 7 pence. With expenditure and discretionary dividends assumed unchanged over the next 12 months, the Company will continue to be operational and will have excess cash after payment of its liabilities over the next 12 months.

The next general meeting and vote on the continuation of the Company is scheduled for May 2023. The Company holds no debts or other contractual financial commitments.

After assessing the risks and reviewing the Company's liquidity position, together with the forecasts of performance under various scenarios, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as and when they fall due for the foreseeable future.

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

During the period the Directors considered the following significant judgements, estimates and assumptions:

Assessment as an investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them unless they provided investment related services to the Company. To determine that the Company continues to meet the definition of an investment entity, the Company is required to satisfy the following three criteria:

a) the Company obtains funds from one or more investors for the purpose of providing those investors with investment management services;

b) the Company commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

c) the Company measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company meets the criteria as follows:

- the stated strategy of the Company is to deliver stable returns to shareholders through a mix of energy storage investments;
- the Company provides investment management services and has several investors who pool their funds to gain access to infrastructure related investment opportunities that they might not have had access to individually; and
- the Company has elected to measure and evaluate the performance of all of its investments on a fair value basis. The fair value method is used to represent the Company's performance in its communication to the market, including investor presentations. In addition, the Company reports fair value information internally to Directors, who use fair value as the primary measurement attribute to evaluate performance.

Having assessed the criteria above and in their judgement, the Directors are of the opinion that the Company has all the typical characteristics of an investment entity and continues to meet the definition in the standard. This conclusion will be reassessed on an annual basis.

Valuation of Investments

Significant estimates in the Company's financial statements include the amounts recorded for the fair value of the instruments. By their nature, these estimates and assumptions are subject to measurement uncertainty and the effect on the Company's financial statements of changes in estimates in future periods could be significant. These estimates are discussed in more detail in note 17.

4. New and revised standards and interpretations

New and revised standards and interpretations

The accounting policies used in the preparation of the financial statements have been consistently applied during the year ended 31 March 2020.

IFRIC 23: Uncertainty over Income Tax Treatments

In June 2017, the IASB issued guidance on the interpretation of the accounting for income taxes when tax treatments involve uncertainty, when applying IAS 12 Income Taxes. The Company has adopted IFRIC 23, however, the Directors have determined there to be no uncertain tax positions, therefore application of IFRIC 23 does not have an impact on the Company's financial statements.

IFRS 16: Leases

In January 2016, the IASB published IFRS 16: Leases, establishing principles for the recognition, measurement, presentation and disclosure of leases with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. The Company has adopted IFRS 16, however, as the Company does not directly participate in leasing arrangements, the Directors are of the opinion that this standard does not have any impact on the presentation of these financial statements.

New and revised IFRSs in issue but not yet effective

There are no further standards, amendments or interpretations in issue at the reporting date which have been issued but are not yet effective and that are deemed to be material to the Company.

5. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below:

Investment Income

Interest income is recognised on an accrual basis in the Revenue account of the Statement of Comprehensive Income.

Investment income arising from the portfolio assets is recognised on a cash basis, whereas its unrealized portion is disclosed in unrealized gain / loss on investments.

Expenses

Expenses are accounted for on an accrual basis and charged to the Statement of Comprehensive Income. Share issue costs are taken from equity. Expenses are charged through the Revenue account except those which are capital in nature, these include those which are incidental to the acquisition, disposal or enhancement of an investment, which are accounted for through the Capital account.

Net gain or loss on investments at fair value through profit and loss

Gains or losses arising from changes in the fair values of investments are recognised in the Capital account of the Statement of Comprehensive Income in the period in which they arise. The value of the investments may be increased or reduced by the assessed fair value movement.

Taxation

The Company is approved as an Investment Trust Company ("ITC") under sections 1158 and 1159 of the Corporation Taxes Act 2010 and Part 2 Chapter 1 Statutory Instrument 2011/29999 for accounting periods commencing on or after 25 May 2018. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporations Tax Act 2010 and the Statutory Instrument 2011/29999. The Company intends to ensure that it complies with the ITC regulations on an ongoing basis and regularly monitors the conditions required to maintain ITC status.

From 1 April 2015 there is a single corporation tax rate of 19%. Current Tax and movements in deferred tax asset and liability is recognised in the Statement of Comprehensive Income except to the extent that it relates to the items recognised as direct movements in equity, in which case it is similarly recognised as a direct movement in equity. Current tax is the expected tax payable on any taxable income for the period, using tax rates enacted or substantively enacted at the end of the relevant period.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred taxation assets are recognised where, in the opinion of the Directors, it is more likely than not that these amounts will be realised in future periods, at the tax rate expected to be applicable at realisation.

Investment in subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the subsidiary entity and has the ability to affect those returns through its power over the subsidiary entity. In accordance with the exception under IFRS 10 Consolidated financial statements, the Company is an investment entity and therefore only consolidates subsidiaries if they provide investment management services and are not themselves investment entities. All subsidiaries are held at fair value in accordance with IFRS 9 and therefore not consolidated.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and call deposit held with the bank on a 32 day notice which can be readily converted to cash.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost less loss allowance which is calculated using the provision matrix of the expected credit loss model.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost.

Dividends

Dividends are recognised, as a reduction in equity in the financial statements. Interim equity dividends are recognised when legally payable. Final equity dividends will be recognised when approved by the shareholders.

Equity

Equity instruments issued by the Company are recorded at the amount of the proceeds received, net of directly attributable issue costs. Costs not directly attributable to the issue are immediately expensed in the Statement of Comprehensive Income.

Financial Instruments

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of amortised cost or fair value through profit or loss.

Financial assets

The Company classifies its financial assets at amortised cost or fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets
- the contractual cash flow characteristics of the financial asset

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables including cash and trade and other receivables.

Financial asset measured at fair value through profit or loss (FVPL)

A financial asset is measured at fair value through profit or loss if:

a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or

b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

c) it is classified as held for trading (derivative contracts in an asset position).

The Company includes in this category equity instruments and loans to investments.

Financial liabilities

Financial liabilities measured at fair value through profit or loss (FVPL)

A financial liability is measured at FVPL if it meets the definition of held for trading of which the Company had none. The Company includes in this category, derivative contracts in a liability position.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, including short-term payables.

Recognition and derecognition

Financial assets and liabilities are recognised on trade date, when the company becomes party to the contractual provisions of the instrument. A financial asset is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix based on historical observed loss rates over the expected life of the receivables and is adjusted for forward looking estimates.

Fair value measurement and hierarchy

Fair value is the price that would be received on the sale of an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market. It is based on the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest.

The fair value hierarchy to be applied under IFRS 13 is as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are carried at fair value and which will be recorded in the financial information on a recurring basis, the Company will determine whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

6. Fees and expenses

Accounting, Secretarial and Directors

JTC (UK) Limited had been appointed to act as secretary and administrator for the Company through the Administration and Company Secretarial Agreement. JTC (UK) Limited is entitled to a £35,000 annual fee for the provision of Company Secretarial services and a £25,000 annual fee for the provision of accounting and administration services, based on a Company Net Asset Value of up to £30 million. An ad valorem fee based on total assets of the Company which exceed £30 million will be applied as follows:

- 0.1% on assets from £30 million to £75 million, plus
- 0.05% on assets from £75 million to £150 million, plus
- 0.04% thereafter.

During the year, expenses incurred with JTC (UK) Limited for administrative and secretarial services amounted to £63,211 with £15,000 being outstanding and payable at the period end.

During the year, the Directors agreed to engage Sanne Group (UK) Limited to act as administrator for the Company with effect 1 April 2020 with JTC (UK) Limited continuing to act as secretary from that date.

AIFM

The AIFM, Mirabella Financial Services LLP (the "AIFM"), was entitled to receive from the Company, in respect of its services provided under the AIFM agreement, an initial fee of £10,000 plus a monthly fee of £7,500 for the term of the AIFM agreement.

During the period, AIFM fees amounted to £82,566, which include fees relating to the prior period, there were no fees outstanding and payable at the period end.

On the 30 December 2019, Mirabella Financial Services LLP resigned its engagement as AIFM, and Gore Street Capital Limited was appointed as AIFM with effect from that date. Gore Street Capital Limited in entitled to receive a fee in respect of its engagement of £75,000 per annum.

At the period end, a total of £37,500 had been paid to Gore Street Capital Limited in respect of these fees, with £18,750 being disclosed in Prepayments as it relates to the period 1 April 2020 to 30 June 2020.

Investment Advisory

The fees relating to the Investment Advisor are disclosed within note 22 Transactions with related parties.

7. Net gain / (loss) on investments at fair value through profit and loss

	31 March 2020 (£)	31 March 2019 (£)
Net gain / (loss) on investments at fair value through profit and loss	**5,585,522**	(565,064)
	5,585,522	(565,064)

8. Investment Income

	31 March 2020 (£)	31 March 2019 (£)
Bank interest income	**38,092**	81,390
Loan interest income	**845,019**	57,951
Management fee income	**32,000**	-
	915,111	139,341

9. Administrative and other expenses

	31 March 2020 (£)	31 March 2019 (£)
Administration fees	**63,211**	54,594
Audit fees (see below)	**140,000**	89,000
Bank interest and charges	**2,074**	1,051
Directors' remuneration	**94,656**	80,526
Directors & Officers insurance	**11,183**	9,725
Foreign exchange loss	**1,643**	-
Investment advisory fees	**458,258**	92,468
Irrecoverable VAT	**400,000**	-
Legal and professional fees	**338,939**	133,298
AIFM fees	**101,316**	66,347
Marketing fees	**20,378**	27,519
Sundry expenses	**79,702**	54,221
	1,711,360	608,749

During the year, the Company received the following services from its auditor, Ernst & Young LLP.

		31 March 2020 (£)	31 March 2019 (£)
Audit services			
Statutory audit	Annual accounts – current year	**115,000**	65,000
	Annual accounts – prior year under accrual	**5,000**	-
	Initial annual accounts	**-**	24,000
		120,000	89,000
Non-audit services			
Other assurance services		**20,000**	-
Total audit and non-audit services		**140,000**	89,000

The statutory auditor is remunerated £63,000 (2019: £17,500), in relation to SPV audits. This amount is not included in the above.

10. Taxation

The Company is recognised as an Investment Trust Company ("ITC") for accounting periods beginning on or after 25 May 2018 and is taxed at the main rate of 19%.

	31 March 2020 (£)	31 March 2019 (£)
(a) Tax charge in profit and loss account		
UK Corporation tax	-	-
(b) Reconciliation of the tax charge for the year / period		
Profit / (loss) before tax	**4,789,273**	(1,034,472)
Tax at UK standard rate of 19%	**909,962**	(196,550)
Effects of:		
Unrealised gain / (loss) on fair value investments	**(1,061,249)**	107,362
Expenses not deductible for tax purposes	-	40,858
Group relief surrendered	**103,648**	-
Deferred tax not recognised	**47,639**	48,330
Tax charge for the year / period	-	-
Estimated losses not to be recognised due to insufficient evidence of future profits	**640,136**	254,370
Estimated deferred tax thereon 19% (2019: 17%)	**121,626**	43,243

As at 31 March 2020, the Company has excess management expenses that are available to offset future tax revenues. A deferred tax asset, measured at the prospective corporate rate of 19% (2019: 17%) of £121,626 (2019: £43,243) has not been recognised in respect of these expenses since they are recoverable only to the extent that the Company has sufficient future taxable revenue.

11. Earnings per share

Earnings per share (EPS) amounts are calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	31 March 2020 (£)	31 March 2019 (£)
Net gain / (loss) attributable to ordinary shareholders	**4,789,273**	£ (1,034,472)
Weighted average number of ordinary shares for the year / period	**40,669,724**	30,600,000
Profit / (loss) per share – Basic and diluted (pence)	**11.78**	(3.38)

12. Investments

	Place of business	Percentage ownership	31 March 2020	31 March 2019
GSES1 Limited (“GSES1”)	England & Wales	100%	**30,412,493**	6,482,964

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries or equity method account for associates but, rather, recognises them as investments at fair value through profit or loss. The Company is not contractually obligated to provide financial support to the subsidiaries and associate and there are no restrictions in place in passing monies up the structure.

The investment in GSES1 is financed through equity and a loan facility available to GSES1. The facility may be drawn upon, to any amount agreed by the Company as lender, and is available for a period of 20 years from 28 June 2018. The rest is funded through equity. The amount drawn on the facility at 31 March 2020 was £25,396,482 (2019: £7,052,474). The loan is interest bearing and attracts interest at 5% per annum. Investments in the indirect subsidiaries are also structured through loan and equity investments and the ultimate investments are in energy storage facilities.

Realisation of increases in fair value in the indirect subsidiaries will be passed up the structure as distributions on the equity investment. GSES1 controls NKESS, GSC LRPOT and GSF IRE as listed below which in turn hold an interest in project companies as disclosed in the in table below.

	Immediate Parent	Place of business	Percentage Ownership	Investment
NK Energy Storage Solutions Limited ("NKESS")*	GSES1	England & Wales	100%	
NK Boulby Energy Storage Limited	NKESS	England & Wales	99.998%	Boulby
Kiwi Power ES B	NKESS	England & Wales	49%	Cenin
GSC LRPOT Limited ("GSC LRPOT")**	GSES1	England & Wales	100%	
OSSPV001 Limited	GSC LRPOT	England & Wales	100%	Lower Road Port of Tilbury
GSF IRE Limited	GSES1	England & Wales	100%	
Mullavilly Energy Limited	GSF IRE	Northern Ireland	51%	Mullavilly
Drumkee Energy Limited	GSF IRE	Northern Ireland	51%	Drumkee
Porterstown Battery Storage Limited	GSF IRE	Republic of Ireland	51%	Kilteel
Kilmannock Battery Storage Limited	GSF IRE	Republic of Ireland	51%	Kilmannock

* NK Energy Storage Solutions Limited changed its name to GSF Albion Limited with effect from 16 June 2020.

** GSC LRPOT Limited changed its name to GSF England Limited with effect from 11 June 2020.

13. Cash and cash equivalents

	31 March 2020 (£)	31 March 2019 (£)
Cash at bank	**15,028,142**	223,770
Notice deposit held at Barclays Bank	**-**	17,000,000
	15,028,142	17,223,770

14. Trade and other receivables

	31 March 2020 (£)	31 March 2019 (£)
VAT recoverable	**72,427**	22,554
Prepaid Director's and Officer's insurance	**7,629**	298
Other Prepayments	**29,619**	23,800
Other Debtors	**66,534**	69,961
Management fee income receivable	**38,400**	-
Advance to NEC ES	**4,500,000**	4,500,000
Interest on advance to NEC ES	**248,918**	-
	4,963,527	4,616,613

The Company advanced to NEC ES an advance of £4,500,000 on the date at which it was admitted to the Premium segment of the London Stock Exchange. The advance remains to be used in conjunction with the Company's purchase of products, equipment and / or services from NEC ES for the projects in which the Company is to be invested. The Company's purchase of such products and equipment from NEC ES is conditional upon NEC ES' ability to meet the requirements of the Company's projects and subject to the terms and pricing of the products, equipment and/or services being provided on market standard terms (as defined by the Company). The advance will be forgiven up to the amount of investments of which the Company takes possession / ownership of. If for example the value of the investment is £4.5 million, the fund will not pay any more.

As NEC ES was unable to supply to the Company products, equipment and / or services on terms agreeable to the Company to the value of the Company's advance within 12 months from the date of the Company's admission on the London Stock Exchange, it was initially agreed that NEC ES would within 14 days of the end of the such period pay to the Company:

a) the balance of the advance payment less the amount of value that has been supplied to the Company in that period; and

b) interest on the balance accrued from the date of admission at a rate of 3 per cent, per annum.

At the end of the initially described term, but not a termination of the agreement, it was agreed between NEC ES and the Company that NEC ES could continue to hold the £4.5m advance, accruing interest payable at a 3% coupon.

As at 31 March 2020, although EPC contracts were signed between NEC ES and the Company and projects are under construction, no payment under these EPC contracts were due at year end and the balance remained outstanding, with interest accruing at the rate of 3 per cent, per annum. It is expected that this advance will be settled within 18 months from when the assets become operational, within the EPC contracts currently in place.

15. Trade and other payables

	31 March 2020 (£)	31 March 2019 (£)
Administration fees	**15,000**	15,000
AIFM fees	**-**	66,346
Audit fees	**135,000**	65,000
Directors remuneration	**3,124**	9,725
Accrued IPO costs	**-**	13,200
Professional fees	**129,569**	25,553
Other creditors	**30,966**	12,686
VAT payable	**400,000**	-
	713,659	207,510

16. Categories of financial instruments

	31 March 2020 (£)	31 March 2019 (£)
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	**15,028,142**	17,223,700
Trade and other receivables	**4,963,527**	4,616,613
Fair value through profit and loss account		
Investment	**30,412,493**	6,482,964
Total financial assets	**50,404,162**	28,323,347
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**713,659**	207,510
Total financial liabilities	**713,659**	207,510

At the balance sheet date, all financial assets and liabilities were measured at amortised cost except for the investment in equity and loans to subsidiaries which are measured at fair value.

17. Fair Value measurement

Valuation approach and methodology

There are three traditional valuation approaches that are generally accepted and typically used to establish the value of a business; the income approach, the market approach and the net assets (or cost based) approach. Within these three approaches, several methods are generally accepted and typically used to estimate the value of a business.

The Company has chosen to utilise the income approach, which indicates value based on the sum of the economic income that an asset, or group of assets, is anticipated to produce in the future. Therefore, the income approach is typically applied to an asset that is expected to generate future economic income, such as a business that is considered a going concern. Free cash flow to total invested capital is typically the appropriate measure of economic income. The income approach is the DCF approach and the method discounts free cash flows using an estimated discount rate (WACC).

The International Valuation Standards Council ("IVSC") issued guidance in March 2020 in response to the COVID-19 pandemic.

It notes that one of the main issues when dealing with valuation is uncertainty and that valuation is not a fact, but an estimate of the most probable of a range of possible outcomes based on the assumptions made in the valuation process.

Valuation uncertainty can be caused by various factors, including market disruption, input availability and the choice of method or model of valuation.

The guidance issued by the IVSC was considered by the Investment Advisor in the determination of the valuations disclosed at 31 March 2020.

Valuation process

In the year, the Company acquired a 51% interest in four assets with a total capacity of 160.0 Megawatt ("MW"), bringing the Company's portfolio of lithium-ion energy storage investments to a total capacity of 189.0 MW. As at 31 March 2020, 29.0 MW were operational and 160.0 MW pre-operational (the "Investments") through its subsidiary companies. The Investments comprise eight projects: Boulby, Cenin (49% owned by the Company), Lower Road, Port of Tilbury, operational and Mullavilly, Drumkee, Kilteel and Kilmannock, pre-operational.

All of these investments are based in the UK and the Republic of Ireland. The Directors review and approve these valuations following appropriate challenge and examination. The current portfolio consists of non-market traded investments and valuations are analysed using forecasted cash flows of the assets and used the discounted cash flow approach as the primary approach for the purpose of the valuation. The Company engages external, independent and qualified valuers to determine the fair value of the Company's investments or are produced by the office of the Investment Advisor.

As at 31 March 2020, the fair value of the investment in NK Boulby Energy Storage Limited, (which owns Boulby Project), OSSPV001 Limited (Lower Road and Port of Tilbury), Mullavilly Energy Limited and Drumkee Energy Limited (Mullavilly and Drumkee respectively), and Kilmannock Battery Storage Limited and Porterstown Battery Storage Limited (Kilmannock and Kilteel respectively) have been determined (presented by the Investment Advisor and reviewed) by BDO LLP.

Quantitative information

The below table summarises the significant unobservable inputs to the valuation of investments.

		Significant Inputs		Fair Value	
Investment Portfolio	Valuation technique	Description	(Range)	31 March 2020 (£)	31 March 2019 (£)
Great Britain (excluding Northern Ireland)	DCF	Discount Rate Revenue / MWH	6% - 8% £5.5 - £40	**6,732,557**	**6,485,965**
Northern Ireland	DCF	Discount Rate Revenue / MWH	9.5% £8 - £21	**16,138,800**	-
Republic of Ireland	DCF	Discount Rate Revenue / MWH	9.5% €6 - €15	**5,739,200**	-
Holding Companies	NAV			**1,801,936**	**(2,999)**
Total Investments				**30,412,493**	**6,482,964**

The fair value of the holding companies represents the net assets together with any cash held within those companies in order to settle any operational costs.

Sensitivity Analysis

The below table reflects the range of sensitivities in respect of the fair value movements of the Company's investments.

Investment Portfolio	Valuation technique	Significant Inputs: Description	Significant Inputs: Sensitivity	Estimated effect on Fair Value: 31 March 2020 (£)	Estimated effect on Fair Value: 31 March 2019 (£)
Great Britain (excluding Northern Ireland)	DCF	Revenue	+ 10%	**2,000,000**	1,384,900
			- 10%	**(2,200,000)**	(1,550,047)
		Discount rate	+1%	**(600,000)**	(618,700)
			-1%	**800,000**	686,693
Northern Ireland	DCF	Revenue	+ 10%	**3,400,000**	-
			- 10%	**(3,500,000)**	-
		Discount rate	+1%	**(2,400,000)**	-
			-1%	**2,800,000**	-
Republic of Ireland	DCF	Revenue	+ 10%	**1,900,000**	-
			- 10%	**(3,400,000)**	-
		Discount rate	+1%	**(1,900,000)**	-
			-1%	**2,300,000**	-

High case (+10%) and low case (-10%) revenue information used to determine sensitivities are provided by third party pricing sources.

Valuation of financial instruments

The investments at fair value through profit or loss are Level 3 in the fair value hierarchy and the reconciliation in the movement of this Level 3 investment is presented below. No transfers between levels took place during the period.

Reconciliation	31 March 2020 (£)	31 March 2019 (£)
Opening balance	**6,482,964**	-
Purchases during the year / period	**18,344,007**	8,561,656
Proceeds from investments – return of capital	**-**	(1,513,628)
Total fair value movement through the profit and loss	**5,585,522**	(565,064)
	30,412,493	6,482,964

A minority shareholder of Boulby has a right to receive a certain share of Boulby distributions once NK Energy Solutions realises excess return over an agreed hurdle return from its investment into Boulby.

Based on free cash flow forecast used to compute the net asset value of Boulby for this period, it is not expected to reach the threshold return and thus no payment to the minority shareholder is taken into account. However, if the actual cash flow significantly exceeds the forecast cash flow used for current net asset value, a part of the excess cash flow may be distributed to the minority shareholder, impacting the ultimate fair value.

18. Financial risk management

The Company is exposed to certain risks through the ordinary course of business and the Company's financial risk management objective is to minimise the effect of these risks. The management of risks is performed by the Directors of the Company and the exposure to each financial risk is considered potentially material to the Company, how it arises and the policy for managing it is summarised below:

Capital risk management

The capital structure of the Company at year end consists of equity attributable to equity holders of the Company, comprising issued capital, reserves and accumulated gains. The Company has no return on capital benchmark, but the Board continues to monitor the balance of the overall capital structure so as to maintain investor and market confidence. The Company is not subject to any external capital requirements.

Counterparty risk

The Company is exposed to third party credit risk in several instances and the possibility that counterparties with which the Company and its subsidiaries, together the Group, contracts may default or fail to perform their obligations in the manner anticipated by the Group. Such counterparties may include (but are not limited to) manufacturers who have provided warranties in relation to the supply of any equipment or plant, EPC contractors who have constructed the Company's projects, who may then be engaged to operate assets held by the Company, property owners or tenants who are leasing ground space and/or grid connection to the Company for the location of the assets, contractual counterparties who acquire services from the Company underpinning revenue generated by each project or the energy suppliers, or demand aggregators, insurance companies who may provide coverage against various risks applicable to the Company's assets (including the risk of terrorism or natural disasters affecting the assets) and other third parties who may owe sums to the Company. In the event that such credit risk crystallises, in one or more instances, and the Company is, for example, unable to recover sums owed to it, make claims in relation to any contractual agreements or performance of obligations (e.g. warranty claims) or require the Company to seek alternative counterparties, this may materially adversely impact the investment returns.

Further the projects in which the Company may invest will not always benefit from a turnkey contract with a single contractor and so will be reliant on the performance of several suppliers. Therefore, the key risks during battery installation in connection with such projects are the counterparty risk of the suppliers and successful project integration. The Company accounts for its exposure to counterparty risk through the fair value of its investments by using appropriate discount rates which adequately reflects its risk exposure.

The Company regularly assesses the creditworthiness of its counterparties and enters into counterparty arrangements which are financially sound and ensures, where necessary, the sourcing of alternative arrangements in the event of changes in the creditworthiness of its present counterparties.

Concentration risk

The Company's investment policy is limited to investment in energy storage infrastructure, which will principally operate in the UK. This means that the Company has a significant concentration risk relating to the UK energy storage infrastructure sector. Significant concentration of investments in any one sector may result in greater volatility in the value of the Group's investments and consequently the Net Asset Value and may materially and adversely affect the performance of the Group and returns to Shareholders. During the year, the Company has expanded its investment base to include Northern Ireland and the Republic of Ireland. The Company intends to further limit its exposure to concentration risk through considering projects in North America and Western Europe.

Credit risk

Cash and other assets that are required to be held in custody will be held at bank. Cash and other assets may not be treated as segregated assets and will therefore not be segregated from the bank's own assets in the event of the insolvency of a custodian. Cash held with the bank will not be treated as client money subject to the rules of the FCA and may be used by the bank in the ordinary course of its own business. The Company will therefore be subject to the creditworthiness of the bank. In the event of the insolvency of the bank, the Company will rank as a general creditor in relation thereto and may not be able to recover such cash in full, or at all. Management has completed a high-level analysis which considers both historical and forward-looking information and based on this analysis the expected credit loss from cash and other assets is not material and therefore no impairment adjustments were accounted for. The Company recognises it has a significant exposure to the advance made to NEC as disclosed in note 14 of the £4,500,000 advance and £248,918 associated interest on that advance, and believes that they have adequately assessed this risk and are confident that the risk of default will be low.

The Company regularly assesses its credit exposure and considers the creditworthiness of its customers and counterparties. Cash and bank deposits are held with Barclays plc, a reputable financial institution with a Moody's credit rating A2.

Currency risk

The majority of investments, together with the majority of all transactions during the current period were denominated in Pounds Sterling

The Company holds two investments (Kilmannock and Kilteel) in the Republic of Ireland and acquisition costs were denominated in Euros, creating an exposure to currency risk. These investments have been translated into Pounds Sterling at year end and represent 18.87% (2019: nil) of the Company's fair valued investment portfolio. The contracted revenue stream due from these investments has been agreed in Pounds Sterling, thus limiting the exposure to fluctuations in exchange rates.

Any expenditure denominated in Euros will be translated into Pounds Sterling at the transaction date and any gain or loss resulting from the foreign exchange exposure will be taken to the Statement of Comprehensive Income. The Company does not hold any financial instruments at period end which are not denominated in Pounds Sterling and is therefore does not believe it is exposed to any significant currency risk.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Company is exposed to interest rate risk on its cash balances held with counterparties, bank deposits, advances to counterparties and through loans to related parties. Bank deposits and NEC ES advance carry a fixed rate of interest for a definite period and loans to related parties carry a fixed rate of interest for an initial period of 20 years. The Company is not exposed to changes in variable market rates of interest and has therefore not considered any sensitivity to interest rates.

Liquidity risk

The objective of liquidity management is to ensure that all commitments which are required to be funded can be met out of readily available and secure sources of funding. Although there is no present intention to utilise borrowings, the Company may, where the Board deems it appropriate, use short term leverage to acquire assets but with the intention that such leverage be repaid with funds raised through a new issue of equity or cash flow from the Company's portfolio. Such leverage will not exceed 15 per cent. at the time of borrowing of Gross Asset Value without Shareholder approval. The Company's only financial liabilities are trade and other payables. The Company has sufficient cash reserves to cover these in the short-medium term. The Company's cash flow forecasts are monitored regularly to ensure the Company is able to meet its obligations when they fall due. The Company's investments are level 3 and thus illiquid and this is taken into assessment of liquidity analysis.

The following table reflects the maturity analysis of financial assets and liabilities.

31 March 2020	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
Financial assets					
Cash and cash equivalents	**15,028,142**	-	-	-	**15,028,142**
Trade and other receivables	**4,963,527**	-	-	-	**4,963,527**
Fair value through profit and loss					
Investments	-	-	-	**30,412,493**	**30,412,493**
Total financial assets	**19,991,669**	-	-	**30,412,493**	**50,404,162**
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables	**713,659**	-	-	-	**713,659**
Total financial liabilities	**713,659**	-	-	-	**713,659**

31 March 2019	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
Financial assets					
Cash and cash equivalents	17,223,770	-	-	-	17,223,770
Trade and other receivables	4,616,613	-	-	-	4,616,613
Fair value through profit and loss					
Investments	-	-	-	6,482,964	6,482,964
Total financial assets	21,840,383	-	-	6,482,964	28,323,347
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables	207,510	-	-	-	207,510
Total financial liabilities	207,510	-	-	-	207,510

Market risk

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk reflects interest rate risk, currency risk and other price risks. The objective is to minimise market risk through managing and controlling these risks to acceptable parameters, while optimising returns. The Company uses financial instruments in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks.

Price risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices. If the market prices of the investments were to increase by 10%, there will be a resulting increase in net assets attributable to ordinary shareholders for the period of £3,041,249 (2019: £648,296). Similarly, a decrease in the value of the investment would result in an equal but opposite movement in the net assets attributable to ordinary shareholders. Similarly, a decrease in the value of the investment would result in an equal but opposite movement in the net assets attributable to ordinary shareholders. The Company relies on the market knowledge of the experienced Investment Advisor, the valuation expertise of the third party valuer BDO and the use of third party market forecast information to provide comfort with regard to fair market values of investments reflected in the financial statements.

19. Net asset value per share

Basic NAV per share is calculated by dividing the Company's net assets as shown in the Statement of Financial Position that are attributable to the ordinary equity holders of the Company by the number of ordinary shares outstanding at the end of the period. As there are no dilutive instruments outstanding, basic and diluted NAV per share are identical.

	31 March 2020 (£)	31 March 2019 (£)
Net assets per Statement of Financial Position	**49,690,503**	£ 28,115,837
Ordinary shares in issue as at 31 March	**52,548,815**	30,600,000
NAV per share – Basic and diluted (pence)	**0.95**	0.92

20. Share capital and reserves

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total (£)
At 1 April 2019	306,000	67,476	186,656	28,590,177	(565,064)	(469,408)	28,115,837
Issue of ordinary £0.01 shares: 19 August 2019	69,621	6,265,934	-	-	-	-	6,335,555
Issue of ordinary £0.01 shares: 14 October 2019	101,066	9,378,934	-	-	-	-	9,480,000
Issue of ordinary £0.01 shares: 23 October 2019	12,641	1,173,058	-	-	-	-	1,185,699
Issue of ordinary £0.01 shares: 11 February 2020	36,160	3,417,106	-	-	-	-	3,453,266
Share issue costs	-	(595,450)	-	13,199	-	-	(582,251)
Dividends paid	-	-	-	(3,086,876)	-	-	(3,086,876)
Profit for the year	-	-	-	-	5,585,522	(796,249)	4,323,262
At 31 March 2020	**525,488**	**19,707,058**	**186,656**	**25,516,500**	**5,020,458**	**(1,265,657)**	**49,690,503**

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total (£)
At 19 January 2018	-	-	-	-	-	-	-
Issue of redeemable preference shares	-	12,500	-	-	-	-	12,500
Redemption of redeemable preference shares	-	(12,500)	-	-	-	-	(12,500)
Issue of ordinary £0.01 shares: 25 May 2018	306,000	30,294,000	-	-	-	-	30,600,000
Share issue costs	-	(531,691)	-	-	-	-	(531,691)
Transfer between reserves	-	(29,694,833)	186,656	29,508,177	-	-	-
Dividends paid	-	-	-	(918,000)	-	-	(918,000)
Loss for the period	-	-	-	-	(565,064)	(469,408)	(1,034,472)
At 31 March 2019	**306,000**	**67,476**	**186,656**	**28,590,177**	**(565,064)**	**(469,408)**	**28,115,837**

Share capital and share premium account and capital reduction reserve

Following the Company's initial issuance of shares and its successful application to the High Court and lodgement of the Company's statement of capital with the Registrar of Companies, the Company was permitted to reduce the capital of the Company by an amount of £29,694,833. This was affected on 16 August 2018 by a transfer of that amount from the share premium account to distributable reserves. A special reserve was created out the distributable reserve for creditors outstanding as at 16 August 2018, an amount of £186,656.

The capital reduction reserve is classed as a distributable reserve and dividends paid by the Company are currently being offset against this reserve.

Share Issues

On 5 June 2019, the Board approved the proposed placing and offer for subscription (together the "Placing") of up to 50 million ordinary shares of £0.01 each in the capital of the Company at a price of £1 per ordinary share. It was intended that the ordinary shares of the Company be admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange ("Admission").

On 19 August 2019, the Company issued 6,962,148 ordinary shares at a price of 91.0 pence per share, raising net proceeds from the Placing of £6,130,651. Admission subsequently took place on 19 August 2019.

On 11 October 2019, the Company issued 10,106,610 ordinary shares at a price of 93.8 pence per share, raising net proceeds from the Placing of £9,277,253. Admission subsequently took place on 11 October 2019.

On 17 October 2019, the Company issued 1,264,071 ordinary shares at a price of 93.8 pence per share, raising net proceeds from the Placing of £1,113,925. Admission subsequently took place on 17 October 2019.

On 11 February 2020, the Company issued 3,615,986 ordinary shares at a price of 95.5 pence per share, raising net proceeds from the Placing of £3,337,241. Admission subsequently took place on 11 February 2020.

Ordinary shareholders are entitled to all dividends declared by the Company and to all of the Company's assets after repayment of its borrowings and ordinary creditors.

Ordinary shareholders have the right to vote at meetings of the Company. All ordinary shares carry equal voting rights.

The nature and purpose of each of the reserves included within equity at 31 March 2020 are as follows:

- Share premium reserve: represents the surplus of the gross proceeds of share issues over the nominal value of the shares, net of the direct costs of equity issues and net of conversion amount.

- Special reserve: represents a distributable reserve totalling the amount of outstanding creditors at the date of the Company's approved reduction in capital.
- Capital reduction reserve: represents a distributable reserve created following a Court approved reduction in capital.
- Capital reserve: represents a non-distributable reserve of unrealised gains and losses from changes in the fair values of investments as recognised in the Capital account of the Statement of Comprehensive Income.
- Revenue reserve: represents a distributable reserve of cumulative net gains and losses recognised Revenue account of the Statement of Comprehensive Income.

The only movements in these reserves during the period are disclosed in the Statement of Changes in Equity.

21. Dividends

	Dividend per share	31 March 2020 (£)	31 March 2019 (£)
Dividends paid during the year			
For the period ended 31 December 2018	3 pence	**-**	918,000
For the 3 month period ended 31 March 2019	1 pence	**306,000**	-
For the 3 month period ended 30 June 2019	2 pence	**751,243**	-
For the 3 month period ended 30 September 2019	2 pence	**978,657**	-
For the 3 month period ended 31 December 2019	2 pence	**1,050,976**	-
		3,086,876	918,000

The table below sets out the proposed final dividend, together with the interim dividend paid, in respect of the financial year, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered.

	31 March 2020 (£)	31 March 2019 (£)
Interim dividend for 2020 – 6 pence (2019: 3 pence)	**2,780,876**	918,000
Proposed final dividend for 2020 – 1 pence (2019: 1 pence)	**771,762**	306,000
	3,552,638	1,224,000

22. Transactions with related parties

Following admission of the ordinary shares (refer to note 20), the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. The Company does not have an ultimate controlling party.

Details of related parties are set out below:

Directors

Patrick Cox, Chairman of the Board of Directors of the Company, is paid director's remuneration of £33,000 per annum, Caroline Banszky is paid director's remuneration of £21,000 per annum, with the remaining directors being paid directors' remuneration of £18,000 per annum.

Total director's remuneration and associated employment costs of £94,656 were incurred in respect of the period with £3,124 being outstanding and payable at the period end.

Investment Advisor

The Investment Advisor, Gore Street Capital Limited (the "Investment Advisor"), is entitled to advisory fees under the terms of the Investment Advisory Agreement amounting to 1/4th of 1% of Adjusted Net Asset Value. The advisory fee will be calculated as at each NAV calculation date and payable quarterly in arrears.

For the avoidance of doubt, where there are C Shares in issue, the advisory fee will be charged on the Net Asset Value attributable to the Ordinary Shares and C Shares respectively.

For the purposes of the quarterly advisory fee, Adjusted Net Asset Value means:

(i) for the four quarters from First Admission, Adjusted Net Asset Value shall be equal to Net Asset Value;

(ii) for the next two quarters, Adjusted Net Asset Value shall be equal to Net Asset Value minus Cash on the Company's Statement of Financial Position, plus any committed Cash on the Company's Statement of Financial Position;

(iii) thereafter, Adjusted Net Asset Value shall be equal to Net Asset Value minus Cash on the Company's Statement of Financial Position.

Investment advisory fee of £403,683 (2019: £116,268) was paid during the year, with £31,175 still outstanding as at 31 March 2020, (2019: £23,800 was paid in advance). During the prior period the Investment Advisor waived a portion of its fees which resulted in a reduction of 61.24% on the actual fees incurred by the Company.

The Investment Advisor has also waived a portion of its fees at the beginning of this year. From 4 June 2019, the fees to the Investment Advisor were being accrued at the full agreed rate in accordance with the Investment Advisory Agreement. This waiver resulted in a reduction of 5% on the actual fees incurred for the year by the Company.

In addition to the advisory fee, the Advisor is entitled to a performance fee by reference to the movement in the Net Asset Value of Company (before subtracting any accrued performance fee) over the Benchmark from the date of admission on the London Stock Exchange.

The Benchmark is equal to (a) the gross proceeds of the Issue at the date of admission increased by 7 per cent. per annum (annually compounding), adjusted for: (i) any increases or decreases in the Net Asset Value arising from issues or repurchases of Ordinary Shares during the relevant calculation period; (ii) the amount of any dividends or distributions (for which no adjustment has already been made under (i)) made by the Company in respect of the Ordinary Shares at any time from date of admission; and (b) where a performance fee is subsequently paid, the Net Asset Value (after subtracting performance fees arising from the calculation period) at the end of the calculation period from which the latest performance fee becomes payable increased by 7 per cent. per annum (annually compounded).

The calculation period will be the 12 month period starting 1 April and ending 31 March in each calendar year with the first year commencing on the date of admission on the London Stock Exchange.

The performance fee payable to the Investment Advisor by the Company will be a sum equal to 10 per cent. of such amount (if positive) by which Net Asset Value (before subtracting any accrued performance fee) at the end of a calculation period exceeds the Benchmark provided always that in respect of any financial period of the Company (being 1 April to 31 March each year) the performance fee payable to the Investment Advisor shall never exceed an amount equal to 50 per cent of the Advisory Fee paid to the Investment Advisor in respect of that period. Performance fees are payable within 30 days from the end of the relevant calculation period. No performance fees were accrued as at 31 March 2020.

During the period the Investment Advisor provided operations management services to SPV companies resulting in charges in the amount of £510,735 (2019: £91,994) being paid by the SPV companies to the Investment Advisor.

Significant Shareholders

NEC ES is a related party to the Company by virtue of also being a significant shareholder within the structure and details of transactions with the entity can be found in note 23 and note 14.

23. Capital commitments

The Company has a commitment of circa. £8 million to invest into projects that involve NEC ES. Of this amount, £4.5 million has been advanced to NEC ES as mentioned in note 14. These projects depend on NEC ES providing, directly or indirectly, a supply of products, equipment and/ or services required for those projects within 12 months from the date of admission, provided NEC ES has the ability to meet the requirements of such projects and the terms of pricing of the products, equipment or services to be provided are on standard market terms. The Company's obligations in respect of the NEC ES commitment shall be discharged once NEC ES and/ or any of its affiliates received contractual commitments in respect of relevant project(s) in an amount equal to or greater than the amount of the NEC ES investment, or the lapse of the commitment period. At the period end, this commitment is still in existence as a consequence of the duration of contracts which are nearing completion. No payments under the EPC contract were due at year end.

The Lower Road and Port of Tilbury acquisitions completed post year end. Upon formal takeover of these sites, NEC will issue takeover certificates with the relevant milestone payments due and offset firstly against the £4.5 million prepaid amount, before any other payments fall due. The prepayment amount is expected to be utilised within 15 months of the formal takeover.

The Company had no other contingencies and significant capital commitments at the reporting date.

24. Post balance sheet events

The Directors have evaluated the need for disclosures and / or adjustments resulting from post balance sheet events through to 15 July 2020, the date the financial statements were available to be issued.

Post year end, the Company acquired Ferrymuir Energy Storage Limited for £1.3m, a project with rights to develop a 50MW energy storage system in Fife, Scotland, bringing the total portfolio size to 239MW, the largest of any UK based manager. This is the Company's first investment in Scotland.

At the time of publication, the Company is also at the exclusivity stage of the acquisition of an additional 151MW of assets, of which 81MW are operational.

The full economic impact of the COVID-19 pandemic and resulting lock-down remains difficult to assess and its full impact is not anticipated to be fully realized for the foreseeable future. The Directors have made an assessment of the impact at the current time and are continuing to review that as described on page 26 of this report. Despite the COVID-19 pandemic, the Company continues to grow and has further increased the number of shares in issue to 77.1 million shares as of the date of publication, following a recent placing of £23.7m to institutional investors, a retail offer through PrimaryBid and a subscription for shares by Nippon Oil, the largest petroleum company in Japan, as part of its clean energy strategy (31 March 2020: 52.5 million shares).

There were no adjusting post balance sheet events and as such no adjustments have been made to the valuation of assets and liabilities as at 31 March 2020.

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