Gore Street
Energy Storage Fund plc

Annual Report of Gore Street Energy Storage Fund Plc

For the year ended 31 March 2022

Gore Street
Energy Storage Fund plc

Contents

Overview & Highlights

About Us

Launched in 2018, Gore Street Energy Storage Fund plc ("GSF" or "the Company") is London's first listed energy storage fund. As of the date of publication, the Company is the only UK-listed Energy Storage fund with a diversified operational portfolio located across four different national grids.

The Company is one of the principal owners and operators of battery storage facilities in Great Britain and Ireland, and as of the date of publication, owns and operates facilities in Western Mainland Europe and the US. It is listed on the Premium Segment of the London Stock Exchange and included in the FTSE All-Share Index.

Energy storage technologies can enhance power system stability and flexibility and are key tools for balancing out variability in renewable energy generation, which allows the integration of more renewable energy supply into power grids. In this way, energy storage is critical to the renewable and low-carbon energy transition.

GSES 1 Limited is a wholly owned subsidiary of the Company, and it is the entity that holds the Company's Assets (referred to as the 'Company's portfolio' or 'GSF's portfolio'). As of the date of publication, GSF's portfolio consists of 668[1] megawatts (MW) of utility-scale energy storage assets across the UK, the Republic of Ireland, Germany, and the United States, of which 291 MW are operational and 377 MW are at varying stages of construction. The Company also counts on an additional 1.57 gigawatts (GW) of pipeline projects across the Company's key markets.

The Company has been awarded the London Stock Exchange's Green Economy mark, which recognises leading companies and funds that derive more than 50 per cent of revenues from products and services that contribute to environmental objectives.

GSF is an Investment Trust managed by Gore Street Capital Limited (the "Investment Manager")[2], which is a full-scope Alternative Investment Fund Manager ("AIFM"), authorised and regulated by the UK's Financial Conduct Authority ("FCA"). The Company has an independent board of non-executive directors that engages constructively with the Investment Manager on an ongoing basis.

The Investment Manager was formed in 2015 as a platform to acquire, develop and manage global renewable energy assets. The Investment Manager's investment, technical and operating team has a wealth of combined experience in sourcing, structuring the acquisition of, and managing the construction and operation of energy assets worldwide.

The Investment Manager oversees the acquisition, development, and management of the Company's operations and has been responsible for the Company's portfolio development and growth since the Company's inception. Through its subsidiary, Gore Street Operational Management Limited (the "Operations Manager" or "GSOM"),[3] the Investment Manager has oversight of the efficient and cost-effective buildout of energy storage assets from acquisition through to commissioning. The Operations Manager is also responsible for the supervision of asset management, fault correction, and revenue optimisation strategies across the portfolio.[4]

The Company is authorised to invest up to 60 per cent. of Gross Asset Value into opportunities outside of the UK and the Republic of Ireland, into target developed markets in North America, Western Europe, Australia, Japan, and South Korea.[5] The Company's recent expansion into the United States and Germany is indicative of the Investment Manager's appetite for capitalising on available and attractive opportunities for targeted growth.

1 The 668 MW portfolio includes the four assets totalling 39.8 MW in Texas, US, acquired from Perfect Power Solutions after the reported period in April 2022.

2 Operational management services are provided to the Company by Gore Street Operational Management Limited (the "Operations Manager" or "GSOM"), a subsidiary of the Investment Manager.

3 Formerly Gore Street Technical Management Limited.

4 The Investment Manager and Operations Manager are collectively referred to as the "Manager".

5 The increase in the percentage of non-UK and Irish investments from 40 per cent. of Gross Asset Value, to 60 percent of GAV (in each case calculated at the time of investment) was approved by shareholders in the April 11, 2022, General Meeting.

Corporate Purpose

The Company aims to provide investors with a sustainable and attractive dividend, generated from long-term investment in a diversified portfolio of utility-scale energy storage assets. The Company targets a dividend payment to shareholders at an annual rate of 7 per cent. of Net Asset Value per Ordinary Share, with a minimum target of 7 pence per Ordinary Share[6]. In addition, the Company seeks to provide investors with capital growth through the re-investment of net cash generated in excess of the target dividend, in accordance with the Company's investment policy.

The Company has committed to disclose its Environmental, Social and Governance ("ESG") principles through its voluntary compliance with Article 8 of the EU 'Sustainable Finance Disclosure Regulation' (SFDR). GSF will disclose relevant environmental and social data assessing the Company's alignment with the SFDR requirements, as part of its first ESG Pillars Report, in August 2022. The ESG Pillars Report will be published annually thereafter, in order to provide investors with visibility of the Company's plans for continued integration of target ESG principles into the Company's business activities, from acquisition to construction and through the period of an asset's operations.

Why Energy Storage?

National grids face challenges in matching the demand for electricity with fluctuating power system supply. This challenge is exacerbated by the intermittent nature of some renewables. Much of the renewable power supply is weather dependent: the sun does not always shine, the wind does not always blow at the same speed, and this makes renewable energy sources, such as solar and wind, less predictable as sources of power, over a longer period, than fossil fuels. On the other hand, electricity demand follows a predictable pattern, rising during the day, summer, and winter months, and falling at night.

Energy storage can be used to solve the problem of intermittency of supply against predictable demand patterns in the short term through a battery's ability to store power, including energy generated by wind or solar and then sell (or "trade") such stored power (including sustainably generated power) for use at times of excess demand. Energy storage is also used to reduce the risk of brownouts and blackouts resulting from the increased integration of wind, solar and other intermittent sources of power into the global power infrastructure. The introduction of larger volumes of intermittent forms of energy into electricity networks affects the quality of available power and therefore the stability of the grid. Battery storage has proven itself a well-suited tool to provide the system stability necessary to avoid blackouts (typically caused by voltage surges) and to manage other power quality issues.

Driven by renewable deployment, the global energy storage market has exceeded installations of 11 GW / 24 GWh per annum and is predicted to grow to 26 GW / 60 GWh per annum by 2025.[7]

6 Effective for the quarter to 31 March 2022, the annual target dividend will increase by 0.5 pence increments per Ordinary Share based on a certain progression of the average Net Asset Value per Ordinary Share in any financial year above 100 pence (subject to rounding). For illustrative purposes only: if the average Net Asset Value per Ordinary Share during a financial year is 107 pence per Ordinary Share or greater (but less than 114 pence) the target dividend for that financial year will be 7.5 pence per Ordinary Share; if the average Net Asset Value per Ordinary Share during a financial year is 114 pence per Ordinary Share or greater (but less than 121 pence) the target dividend for that financial year will be 8.0 pence per Ordinary Share; and if the average Net Asset Value per Ordinary Share during a financial year is 121 pence per Ordinary Share or greater (but less than 128 pence) the target dividend for that financial year will be 8.5 pence per Ordinary Share.

7 Bloomberg NEF, July 2021. '2H 2021 Energy Storage Market Outlook. Leap Ahead'.

The Investment Proposition

Investment Objective and Target Yield

The Company seeks to provide investors with a sustainable and attractive dividend over the long term by investing in a diversified portfolio of utility-scale energy storage projects. The Company will target dividends in each financial year based on the average Net Asset Value per Ordinary Share during that financial year, subject to a minimum target of 7 pence per Ordinary Share in each financial year. The target dividend will increase by 0.5 pence per Ordinary Share for each 7.0 pence increase in average Net Asset Value per Ordinary Share in any financial year above 100 pence. In addition, the Company seeks to provide investors with an element of capital growth through the re-investment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

Diversified Portfolio and Revenue Stream

The Company holds[8] and operates a diversified portfolio of lithium-ion energy storage assets in four markets[9], including 291.6 MW of operational assets (earning revenues) and 376.8 MW projects under construction. Lithium-ion batteries deliver multiple grid balancing and power quality services to power grids and present power trading opportunities. Consequently, batteries generate multiple revenue streams. It is the Company's intention that no single project or interest in any project will have an acquisition value of greater than 20 per cent. of Gross Asset Value of the Group as a whole (calculated at the time of acquisition). Geographical and revenue contracting risks will be diversified between GB, Ireland, the United States, Germany, and other target markets.

Proven Technology & Capability

Energy storage systems are utilised by power grid systems to aid in regulating power security, ensuring power quality and in balancing electricity demand. The Company is committed to maintaining best-in-class practices in the design and management of its systems, and to ensuring adequate health and safety standards are kept. Its operational discipline is not only relevant from an environmental perspective but also ensures that its fleet of assets are dependable generators of revenue. The Company represents a substantial 13 per cent. market share of the Dynamic Containment ("DC") market in Great Britain, and, in Ireland, it accounts for 55 per cent. of the 'Delivering a Secure Sustainable Electricity System' ("DS3") capped contracts, and 13 per cent. of DS3 uncapped agreements, inclusive of the provision of reactive power services. GSF's market share of large-scale battery storage services delivering grid balancing services not only demonstrates the Company's scale but also confirms its operational and technological reliability.[10]

Market Leadership

The Investment Manager was one of the first movers to deploy privately owned grid-scale battery projects in GB. It was also one of the first to successfully enter and deliver services in the energy storage market in Ireland, where the Company continues to hold a substantial market share. As of the date of publication, the Company has also entered energy markets in the United States and Germany.

The Investment Manager is comprised of industry experts, thought leaders, and financial professionals, who leverage their collective expertise and work collaboratively alongside industry leaders on system design, procurement, and asset construction.

8 GSES 1 Limited is a wholly owned subsidiary of the Company, and it is the entity that holds the Company's Assets (referred to as the 'Company's portfolio' or 'GSF's portfolio').

9 As of the date of publication.

10 Further details on the Company's market share are explained in the 'Market Share' section below.

The Investment Proposition
Continued

Environmental Sustainability, Social Impact and Governance

Energy storage is a critical piece of the infrastructure used to solve the challenge of intermittency of supply from weather-dependent, variable renewable energy sources, against predictable demand patterns. As a sole-play energy storage fund, the Company takes pride in its contribution to supporting clean energy ambitions for increased integration of renewable energy into global power systems.

The Board of Directors of the Company is responsible for defining the Company's environmental strategy and has committed to measuring and reporting the Company's environmental sustainability in accordance with the SFDR framework, which will be available on the Company's website in August 2022. This will provide investors greater assurance and transparency around the Company's environmental strategy. The Investment Manager is responsible for the day-to-day implementation of that environmental strategy, including the evaluation and possible amendment of the Company's construction and asset management processes as necessary to embody or improve environmental measurements under the SFDR framework.

The Board of Directors of the Company is responsible for defining the Company's social impact strategy and has committed for the Company to measure and report the social impact of its investments in accordance with the SFDR framework.

A summary of the Company's performance under SFDR and under the United Nation's Sustainable Development Goals (SDG) is provided in the Company's first ESG Pillars Report which will be available on the Company website in August 2022.

The Company is also a signatory to the United Nations Principles of Responsible Investment (UN PRI). The UN PRI requires the Company to participate in the next mandatory submission period, which will be in 2024. Additionally, the Company has committed to comply with the 'Task Force on Climate-Related Financial Disclosures' (TCFD) framework by the end of 2022.

Investment Highlights

Fundraise

During the fiscal year, the Company closed a Placing Programme in which it issued all available shares, raising a total of £208.6 million (£135 million in April 2021, and a further £73.6 million in October 2021). Both capital raises were oversubscribed.[11]

In March 2022, the Company opened a new issuance programme of up to 750 million Ordinary and C Shares. In April 2022, the Company was again significantly oversubscribed and raised gross proceeds of £150.0 million in its issuance[12] of 136,363,636 new Ordinary Shares. As of the date of publication, the Company's issued shares amounts to 481,399,478 Ordinary Shares.

11 The November 2020 Placing Programme was for 250 million shares of which 60 million shares were issued in December 2020, leaving 190 million shares available under the Programme during the fiscal year.

12 The Initial Issues consists of the Initial Placing, Initial Offer for Subscription and Initial Intermediaries Offer.

13 The site is fully energized and now waiting for confirmation on contract commencement.

14 Assuming seller specifications.

Deployment of Capital

The Company grew by 66 per cent (in MWs) during the fiscal year.

During the period, the Company acquired 158.9 MW of energy storage projects across England and Germany of which 22.0 MW are currently operational. Both construction assets (Stony 79.9 MW and Enderby 57.0 MW) have target commission dates in 2023. The Company also secured the right to expand its Kilmannock ("KBSL") project in the Republic of Ireland ("ROI"), resulting in a total 248.9 MW increase in its total portfolio capacity as of 31 March 2022.

Enderby (57.0 MW) represents the Company's first asset connected to National Grid's main transmission network. This means that Enderby will operate without an intermediary distribution network operator, potentially reducing capital and operating expenditure. The acquisition of the 22.0 MW operational project in Cremzow, Germany, represents the Company's first acquisition in Mainland Europe.

The expansion of the KBSL site by 90.0 MW follows the 60.0 MW expansion grant for Porterstown ("PBSL") and increases the Company's portfolio capacity in the ROI from 60.0 MW (on acquisition in July 2019) to 210.0 MW. The initial 30.0 MW phase of development at PBSL ('PBSL Phase 1') became fully energised as of the date of publication.[13] The PBSL expansion project ('PBSL Phase 2') is expected to be operational by 2024. Given challenges amidst global supply chain issues, the Company expects delays in the timeline for KBSL and its expansion site ('Phase 1' and 'Phase 2', respectively) and will inform the markets of the updated timeline in due course.

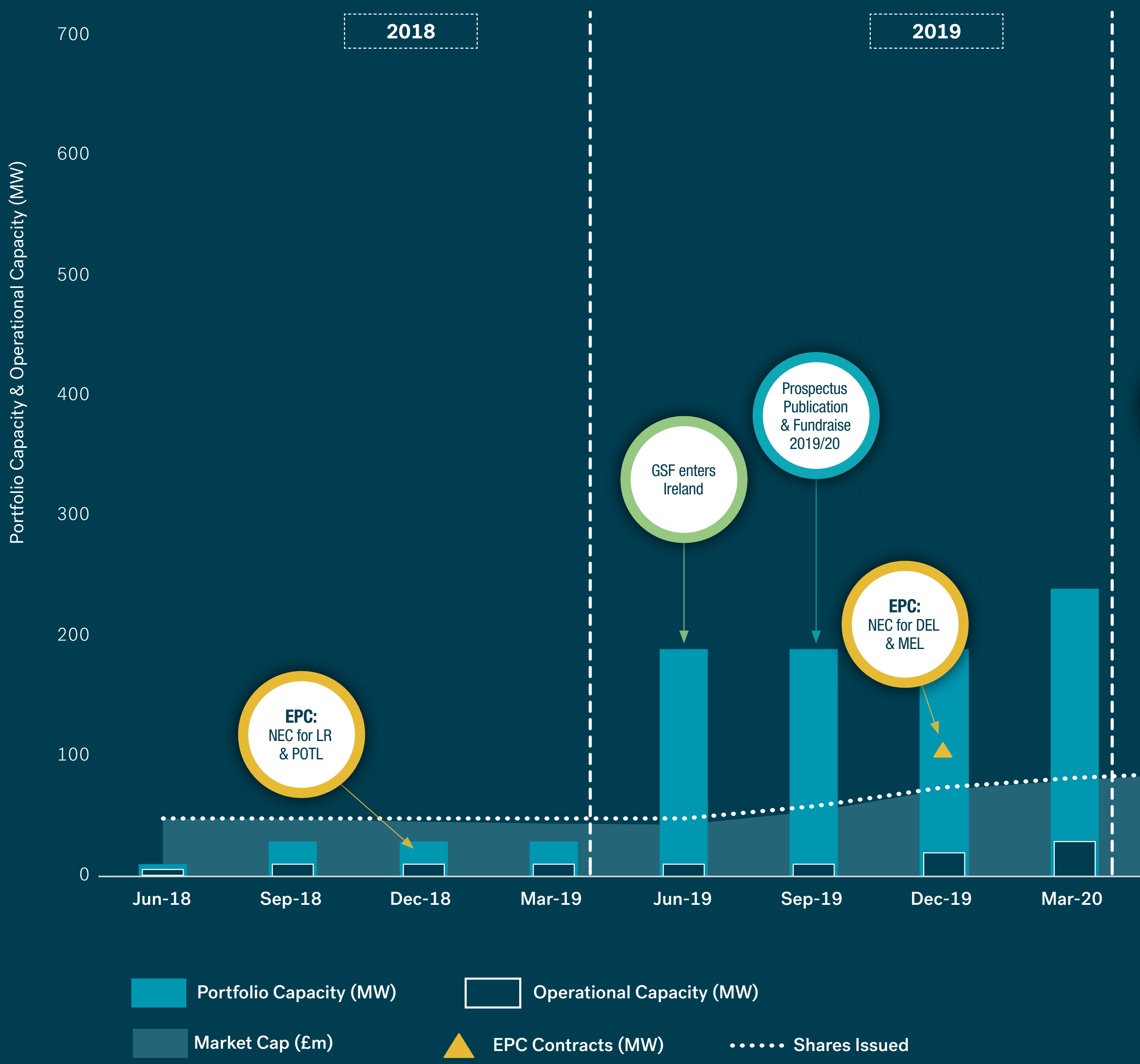
As of the date of publication, GSF has acquired 39.8 MW of energy storage projects in the ERCOT (the 'Electric Reliability Council of Texas') market in Texas, United States with rights to acquire an additional 39.6 MW upon satisfaction of the terms of its purchase agreement. 29.9 MW of the ERCOT assets (Synder, Westover and Sweetwater) are operational (2-hour duration). The remaining 9.9 MW (Mineral Wells) is in its pre-construction phase with operation targeted by the end of 2023.

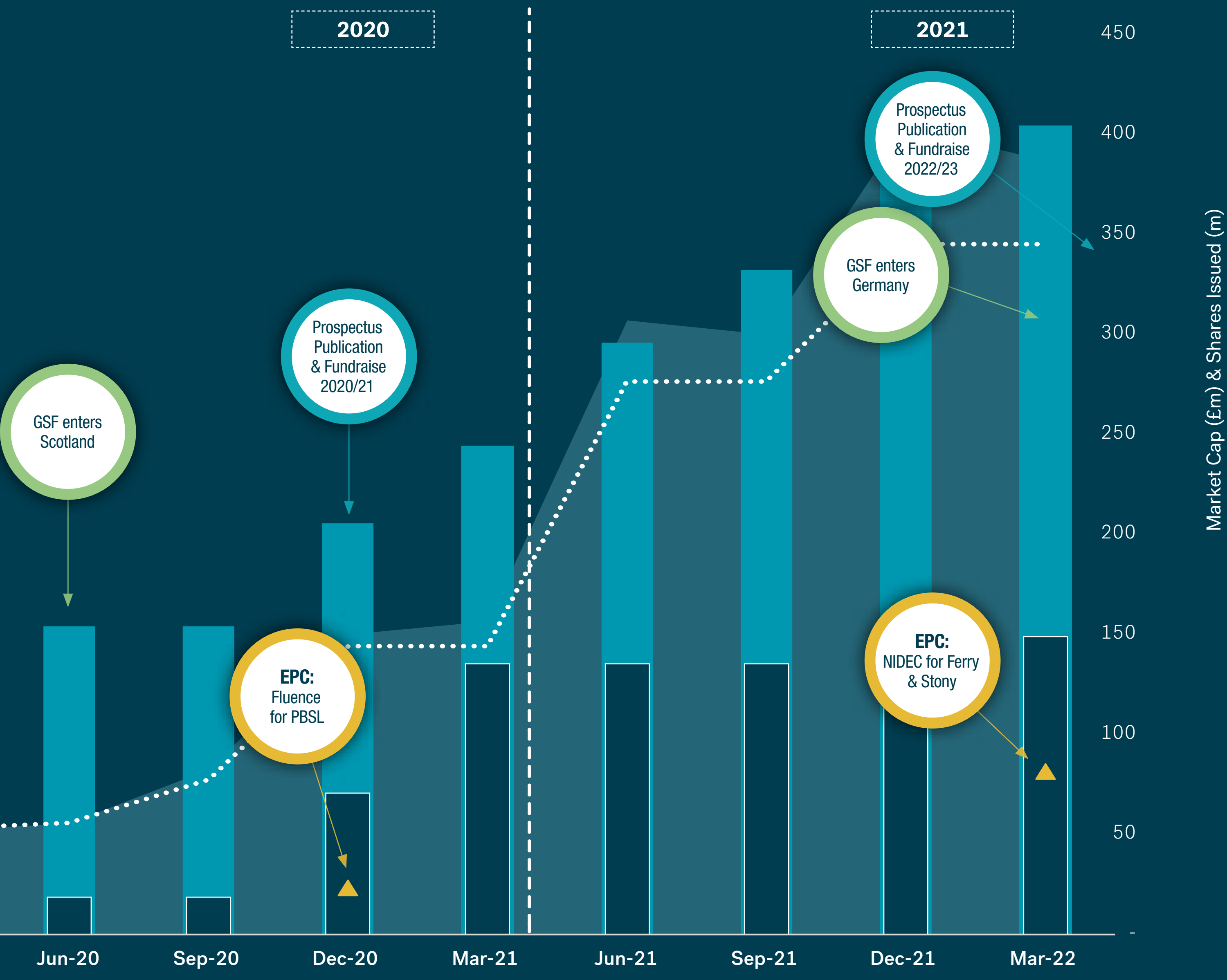
Pipeline

The Investment Manager intends to further diversify its investment pipeline with acquisitions in Western Europe and North America, GB, and Australia. Its investment pipeline currently stands at 1.57 GW of energy storage assets with the capacity to deliver 3.24 GWh.[14] As of the date of publication, the Investment Manager has actively engaged in exclusive negotiations for projects totalling 495.0 MW with the capacity to deliver 980.0 MW of power per hour.

Timeline and Key Milestones

Figure 1: Timeline and milestones of the Company since IPO: market capitalisation, portfolio total capacity and operational portfolio capacity; as well as contracted 'Engineering Procurement and Construction' (EPC) capacity.





2020
2021
GSF enters Scotland
Prospectus Publication & Fundraise 2020/21
EPC: Fluence for PBSL
Prospectus Publication & Fundraise 2022/23
GSF enters Germany
EPC: NIDEC for Ferry & Stony
450
400
350
300
250
200
150
100
50
-
Market Cap (£m) & Shares Issued (m)
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
Sep-21
Dec-21
Mar-22

Key Metrics

As of Fiscal Year, Ending March 2022[15]

MARKET CAPITALISATION

£389.9m

DIVIDEND FOR THE PERIOD

7.0p

TOTAL SHARE RETURNS SINCE IPO

37.0%

ADJUSTED NAV

£369.6m

ADJUSTED NAV PER SHARE

107.1

NAV INCREASE SINCE IPO

34.2%

Table 1: Key Metrics	As at 31 March 2021	As at 31 March 2022
Net Asset Value (NAV)	£145.1m	**£369.6m[16]**
NAV per share[17]	100. 9p	**107.1p[18]**
NAV Annual total Return[19]	14.1%	**13.1%[20]**
Number of issued Ordinary Shares	143.9m	**345.0m[21]**
Share price based on closing price of indicated date	108.0p	**113.0p**
Premium to NAV	7.0%	**5.5%[22]**
Market capitalisation based on closing price at indicated date	£155.4m	**£389.9m[23]**
Portfolio's total capacity	380.0 MW	**628.5 MW[24]**
Portfolio's total operational capacity	209.7 MW	**231.7 MW**
Dividends announced[25]	7.0p	**7.0p**

Adjusted NAV is calculated as the NAV per the Statement of Financial Position adjusted for the interim dividend relating to the December 2021 quarter of £6.9m or 2.0 pence per share, which was declared in March 2022 but paid post period end on 1 April 2022. This metric provides consistency and a more meaningful comparison against the NAV on 31 March 2021, which already included the 2.0 pence per share dividend relating to the December 2020 quarter, which was paid in March 2021, prior to the period end.

15 Note on Market Capitalisation: Closing Share Price of 113.0 pence as of 31 March 2022. The Market Capitalisation reported does not account for the 136,363,636 new shares admitted post-reported period on 14 April 2022.

Note on Annual Dividend: A total of 7.0 pence in dividends were declared for the financial year: 4.0 pence in dividends were paid in the financial year and 2.0 pence in dividends have been paid as at the date of publication. The remaining 1.0 pence shall be paid in August 2022.

Note on Total Share Returns since IPO: On a share price basis. Calculated as the difference between the closing share price as at 31 March 2022 and share price at IPO, plus dividends paid or declared since IPO divided by share price at IPO (113p-100p+24p)/100p)*100. This is an alternative performance measure.

Note on the Adjusted NAV: Adjusted NAV is calculated as the NAV per the Statement of Financial Position adjusted for the interim dividend relating to the December 2021 quarter of £6.9m or 2.0 pence per share, which was declared in March 2022 but paid post period end on 1 April 2022.

Note on NAV per Share: Calculated as Total Adjusted NAV divided by the total number of shares.

Note on NAV Total Increase since IPO: Calculated as the difference between the closing Adjusted NAV per share as at 31 March 2022 and opening. NAV per share at IPO, plus dividends declared since IPO divided by opening NAV at IPO (107.1-97.7p+24p)/97.7p)*100. This is an alternative performance measure.

16 Adjusted NAV is calculated as the NAV per the Statement of Financial Position adjusted for the interim dividend relating to the December 2021 quarter of £6.9m, which was declared in March 2022 but paid post period end on 1 April 2022.

17 Note on NAV per Share: Calculated as Total NAV divided by the total number of shares outstanding within the respective period.

18 Adjusted NAV is calculated as the NAV per the Statement of Financial Position adjusted for the interim dividend relating to the December 2021 quarter of £ 2.0 pence per share, which was declared in March 2022 but paid post period end on 1 April 2022.

19 Note on NAV Total Return: Calculated as the difference between the closing NAV at 31 March 2022 and opening NAV at 31 March 2021, plus dividends declared for the period, divided by opening NAV at 31 March 2021 ((107.1 – 100.9+7)/100.9)*100).

20 Calculated based on Adjusted NAV.

21 136.4 million new shares were admitted on 14 April 2022, bringing total number of shares to 481.4 million, post year-end.

22 Note on Premium to NAV: Calculated as the difference between the closing share price on 31 March 2022 to NAV on 31 March of 2022 (113-107.1/107.1)*100).

23 Market Capitalisation reported does not account for the 136,363,636 new shares admitted post-reported period on 14 April 2022.

24 The 628.5 MW include the additional 60.0 MW of grid capacity approved for Porterstown (announced March 2021) and a further 90.0 MW of capacity for Kilmannock (announced November 2021). It does not account for the four US acquisitions completed in April 2022, post year-end.

25 Note on Annual Dividend: A total of 7.0 pence in dividends were declared for the financial year: 4.0 pence in dividends were paid in the financial year and 2.0 pence in dividends have been paid as at the date of publication. The remaining 1.0 pence shall be paid in August 2022.

Key Metrics
Continued

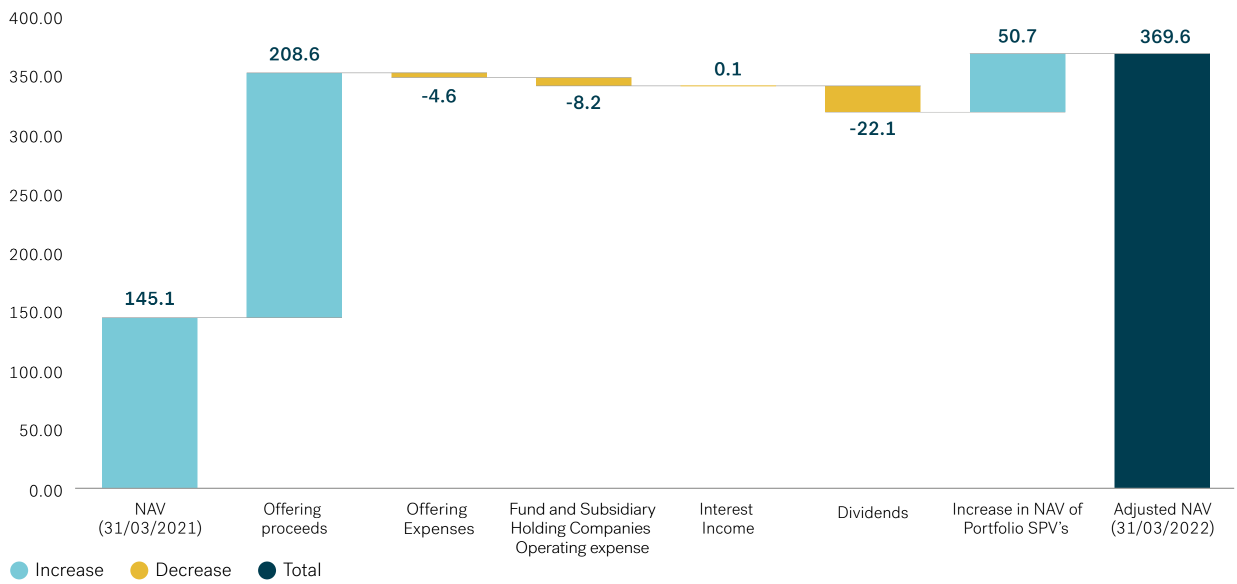
The Company's market capitalisation increased by 151 per cent. since the end of the last fiscal year. Further capital was raised post year-end, in April 2022, which together constitutes a total increase of 258 per cent in the Company's market capitalisation since the end the of the last fiscal year[26].

The Company declared a total of 7.0 pence dividend per share for the financial year, with the final instalment of 1.0 pence to be paid post the date of publication.

The increase in Total Adjusted NAV during the fiscal year is illustrated in the bridge, shown in Figure 1. The key drivers of the increase in NAV from £145.1 million (March 2021) to £369.6 million (March 2022 Adjusted NAV) were: (i) Two fundraises totalling £208.6m; (ii) Both NI assets were operational throughout the year; (iii) Acquisition of operational asset, Cremzow; (iv) Successful de-risking of projects as they progress through their construction stage; (iv) Revenue forecasts; and (v) Strong operational performance of the assets due to efficient optimising of the revenue stacks.

On a NAV per share basis, the Company experienced an increase of 6.2 pence per share since the last fiscal period. Since IPO (to the end of the fiscal year), the Company has delivered a Net Asset Total return of 34.2 per cent (inclusive of dividends) to shareholders.[27]

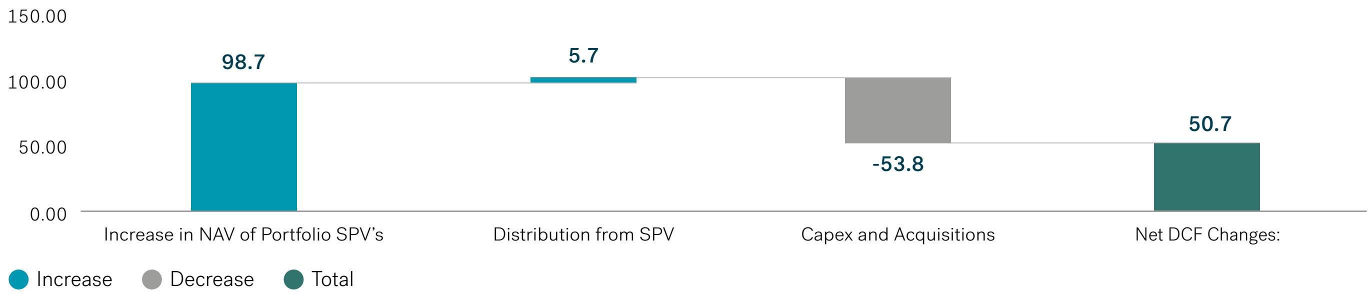
Figure 2: NAV Bridge March 2022 in £m



* Net DCF Changes: Capex and Acquisitions/Distribution from SPV/Increase in NAV of Portfolio SPV's[28]

The Net DCF changes have been broken out in the below graph:

Figure 3: Net DCF changes bridge for the fiscal year £(m)

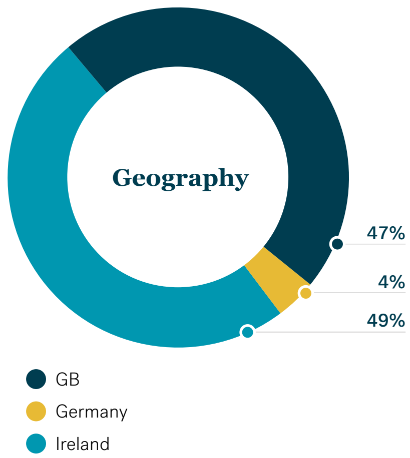


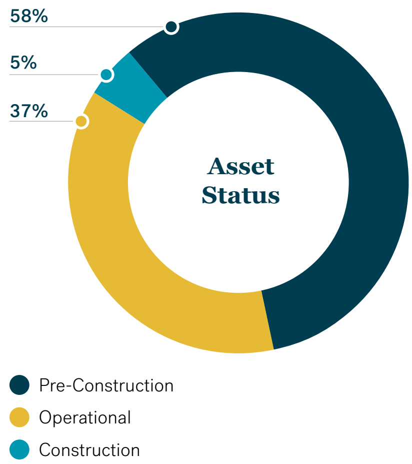
26 Note on market capitalisation increase: calculated between 31 March 2021 and 14 April 2022 (the admission date for April 2022 fundraise).
27 Net Asset Total Return is calculated as the change in the Company's Net Asset value plus the dividend declared in the period.
28 The NAV of Portfolio SPVs include cash held at the asset level which has not yet distributed to the PLC.

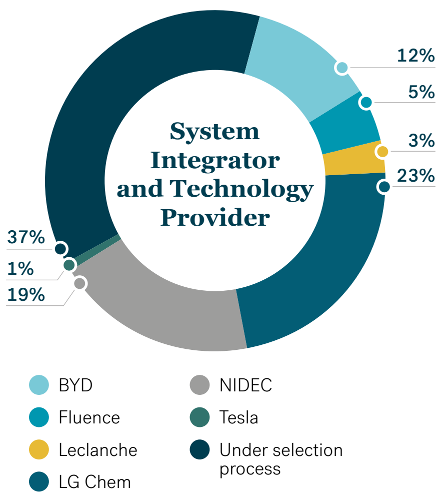
Portfolio Composition

The Company has a portfolio of 296.6 MW in GB and 310.0 MW of energy storage assets across the island of Ireland.[29] During the fiscal year, it successfully completed its first acquisition in Mainland Europe, a 22.0 MW operational portfolio in Germany. As of the date of publication, the Company has completed its first US acquisitions, consisting of four energy storage assets totalling 39.8 MW in the ERCOT market in Texas.[30]

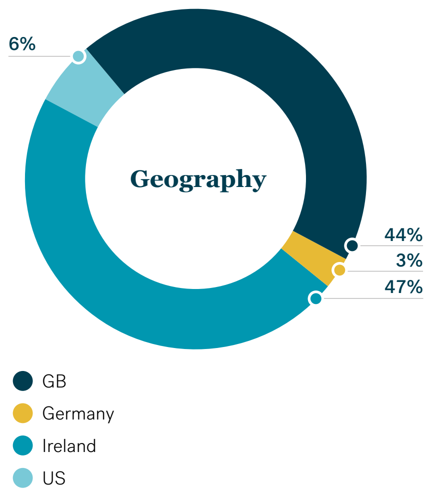
A breakdown of the total portfolio is presented below, differentiated by: i) Geography; ii) Asset status; and iii) Storage System suppliers[31], on a per MW basis, as of March-end 2022:

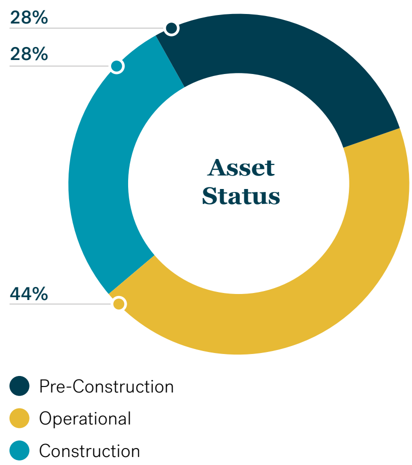


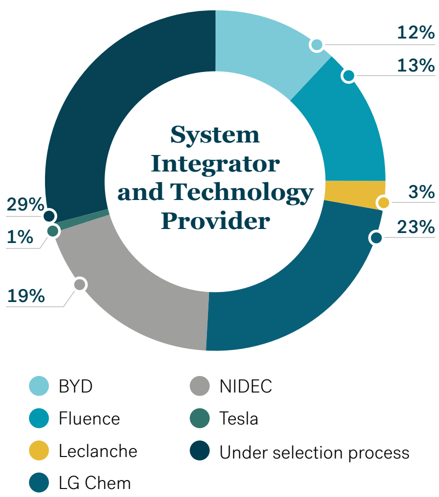




As of the publication date, the updated breakdown is disclosed below:







29 The 310 MW include the 90 MW capacity expansion for Kilmannock secured with EirGrid in the fiscal year, as well as the previously secured 60 MW expansion for Porterstown, in March 2021.

30 Sales and Purchase Agreement (SPA) have been signed for eight assets in Texas, US, as per the Company announcement on 10 March 2022. Nonetheless, the transfer of ownership was completed for only four of the assets as of publication date and post year-end, in April 2022. The Investment Manager expects to complete the acquisition of the remaining four assets in the coming months once the various condition precedents have been met.

31 Note on Battery Integrators: companies involved in system assembly, design, and commissioning of energy storage projects. The system integrator often serves as the EPC contractor for the asset and designs the battery storage system for the asset. Please note that LG Chem includes former NEC ES.

Sources of Revenue

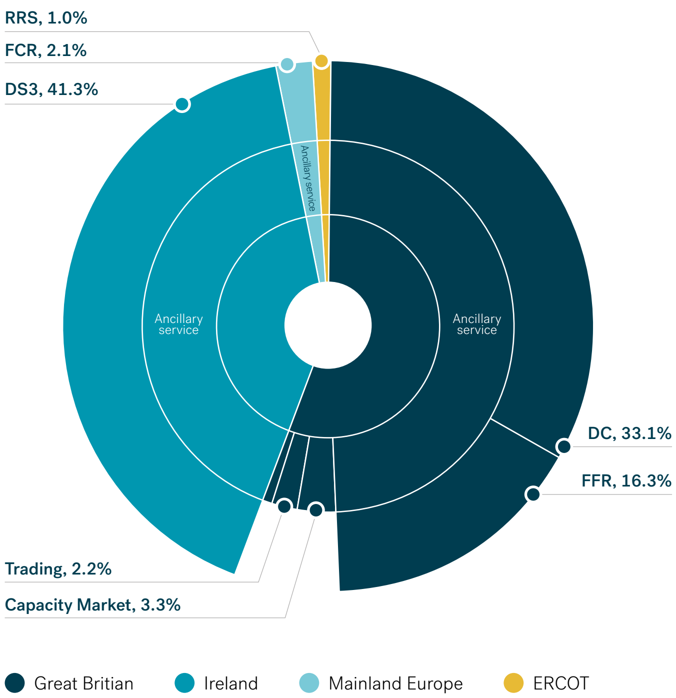
As of the publication date, the Company's operational assets deliver services to the following Transmission System Operators (TSOs): The 'National Grid Electricity System Operator' (NGESO or "National Grid") in GB; EirGrid and SONI[32] in Ireland; the 'Electric Reliability Council of Texas' (ERCOT), in Texas, US and, indirectly through participating in the German ancillary services market[33] to eleven further TSOs, across eight countries in Mainland Europe ("European Grids").

These services generate attractive income streams and diversify exposure to different markets and sources of revenue. Revenue diversification is achieved by selling services to different counterparties (including selected TSOs) and through the ability to "stack" several income streams across various contract lengths within individual assets.

Whilst ancillary services are currently the predominant revenue stream in the portfolio, the Company also derives revenues from Capacity Market ("CM") contracts, Triads, and participation in energy arbitrage ("Trading"). Ancillary Services include Dynamic Containment ("DC") and Firm Frequency Response ("FFR") in GB; the 'Delivering a Secure Sustainable Electricity System' ("DS3") contracts in the Irish Network; Frequency Containment Reserves ("FCR") in Europe, and Response Reserve Services ("RRS"), in Texas, US.

The figure below illustrates the breakdown of total portfolio revenue per TSO and revenue stream as at the end of the financial year.[34]

Figure 4: Geographical exposure and revenue services breakdown during the 2021/22 fiscal year[35]



As of 31 March 2022, the National Grid constitutes the Company's primary counterparty, from which 49 per cent. of the Company's revenues are generated. A further 41 per cent. of operating revenues are generated in Northern Ireland with EirGrid/SONI as the counterparty.

As of the date of publication, the Investment Manager has further diversified its revenue stack as a result of its participation in the ERCOT and German markets and by the commencement of delivery of DS3 capped contract services in the Republic of Ireland in July 2022.

32 The System Operator for Northern Ireland (SONI) and EirGrid,plc, the state-owned electric power transmission operator in Ireland. The electricity market in Ireland is common between the ROI and NI, under the Integrated Single Electricity Market (I-SEM).

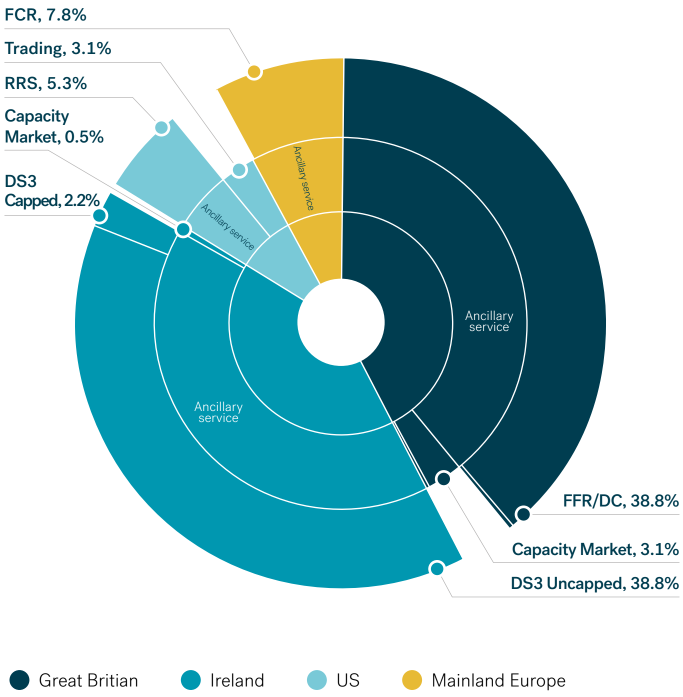
33 The primary ancillary service in Germany (Frequency Containment Reserve) is regionally procured between eight European and eleven associated TSOs.

34 The services the Company provides, their respective sources of revenue, and further characteristics of the markets wherein the Company operates, are further explained in the 'Market Background and Sources of Revenue' section in this report.

35 Cremzow acquisition was completed on 3 March 2022 but cashflow transfer to the Company commenced as of 1 January 2022. For the purpose of this illustration, the graph includes revenue relative to January, February, and March. The ERCOT acquisitions were completed post reported period but cashflow transfer to the Company commenced as of 1 March 2022. For the purpose of this illustration, the graph includes revenue relative to March.

Sources of Revenue Continued

Figure 5: Expected geographical exposure based on expected revenue for the next fiscal year (2022 /2023)[36]



36 Projections are not indicative of future results. Projections do not assume any new acquisitions have been made this year.

Market Overview

The market backdrop wherein the company operates, shows a growing shift toward low carbon energy generation, which represents strong fundamental drivers for energy storage deployment. The UK[37] and Irish[38] Governments are committed to achieving carbon neutrality by 2050, as well as the US.[39] Germany has set on a path of accelerated clean-energy expansion, bringing forward its goal of 100 per cent. renewable power to 2035.[40] This provides a tailwind for the deployment of battery energy storage systems and has led to rapid growth within the sector.

The Company provides a number of critical services across these markets and benefits from multiple revenue streams, of varying contract lengths, which can be stacked. Furthermore, due to the flexible nature of the Company's assets, it is able to take advantage of a variety of contracts depending on prevailing market conditions.

The table below shows the relevant characteristics for each market relevant to the Company, as well as the diverse mix of revenue streams available to the Company's assets in each of these markets.

Market	Market Structure	Revenue Streams	Characteristics
GB	National Grid	• Capacity Market (CM) • Firm Frequency Response (FFR) • Dynamic Containment (DC) • Dynamic Moderation (DM) • Wholesale Trading • Triads	• CM: Procurement of future energy capacity to ensure sufficient generation on the system • FFR: Balancing supply and demand of electricity to ensure that frequency remains around 50Hz • DC: Fast-acting post-fault service to contain frequency outside of acceptable limits • DM: Balancing supply and demand of electricity to ensure that frequency remains around 50Hz • Wholesale Trading: The trade of energy between generators and suppliers • Triads: Top three half-hour peaks of national energy demand across the grid
Ireland	EirGrid/SONI	• Capacity Market • DS3 Programme • Volume uncapped • Volume capped	• Volume uncapped: Procurement that does not limit the volume of the service being procured and to which regulated tariffs apply • Volume capped: Procurement where an upper limit is applied to the volume of relevant DS3 services being procured and for which prospective providers will offer a competitive price as part of their tender • CM: Procurement of future energy capacity to ensure sufficient generation on the system
Germany	TSOs across 8 countries	• Frequency Containment Reserve (FCR)	• FCR: Primary ancillary service in Germany and serves to stabile frequency deviations in the system • Wholesale Trading: (from January 2023)
Texas, US	ERCOT	• Responsive Reserve Services (RRS)	• RRS: Used to restore the frequency of the system within the first few minutes of an event that causes a significant deviation from the standard frequency

37 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033990/net-zero-strategy-beis.pdf

38 https://www.gov.ie/en/press-release/9336b-irelands-ambitious-climate-act-signed-into-law/

39 https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/22/fact-sheet-president-biden-sets-2030-greenhouse-gas-pollution-reduction-target-aimed-at-creating-good-paying-union-jobs-and-securing-u-s-leadership-on-clean-energy-technologies/#:~:text=Building%20on%20and%20benefiting%20from,economy%20by%20no%20later%20than

40 https://www.bloomberg.com/news/articles/2022-02-28/germany-brings-forward-goal-of-100-renewable-energy-to-2035

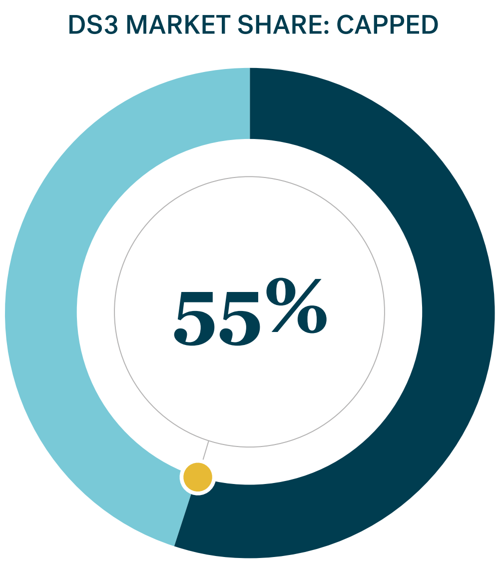
Market Share

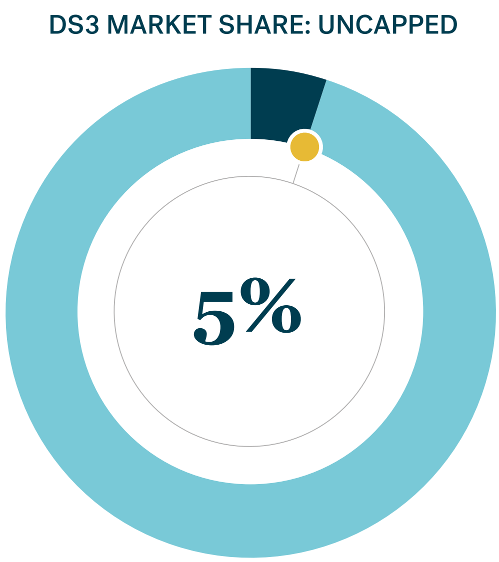
During the fiscal year, the Company's delivery of FFR services accounted for 9 per cent of the FFR market in GB. In the same period, GSF's services accounted for c. 13 per cent. of the DC market in the GB energy market.[41]

The Company's Northern Irish assets represent an ongoing 100.0 MW commitment to delivering DS3 services to the Irish network. The Company's operational assets represent a 13 per cent market share of DS3 services for uncapped agreements in NI[42] including the provision of reactive power services.

The Company also holds contracts for 60.0 MW of capped DS3 agreements for its two assets in ROI, representing a 55 per cent market share of the Irish DS3 capped contracts' storage projects under development. In terms of uncapped contracts, the Company represents 5 per cent of the market share.[43]

Ireland[44]





41 Note this market share is based on GSF awarded MW out of the total awarded MW for DC and FFR in Great Britain for the 2021/2022 fiscal year.

42 The DS3 system services are procured by EirGrid and SONI under two separate procurement routes: (i) volume uncapped procurement, also known as the regulated arrangements; and (ii) volume capped procurement, also known as fixed contract procurement. For uncapped agreements, market share considers NI procured volumes only, as EirGrid procures volumes separately for ROI and NI. This market share based on July 2021 data. No further data is available from EirGrid/SONI. Provided there is more volume procured, this per centage will change.

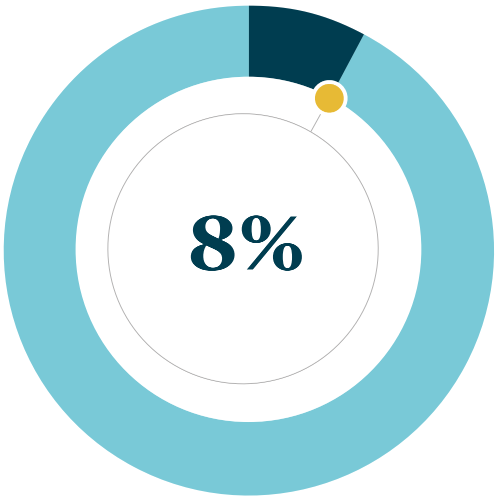
43 Market share calculated based on DS3 uncapped contracts for FFR, POR, SOR, TOR1, TOR2 and SSRP.

44 Market share calculated based on DS3 capped contracts awarded in 2019. The Asset providing services under the DS3 capped contract started generating income after the reported period, in July 2022.

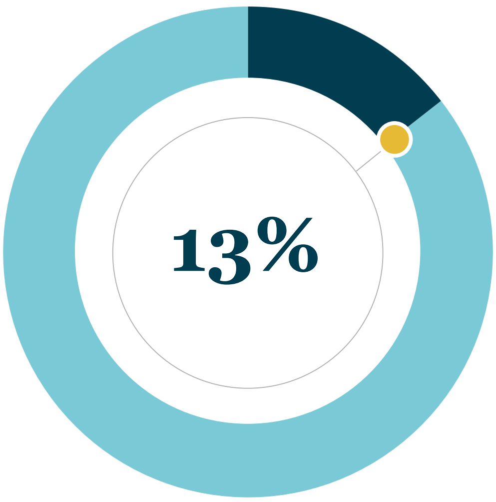
Market Share
Continued

GB

FFR MARKET SHARE

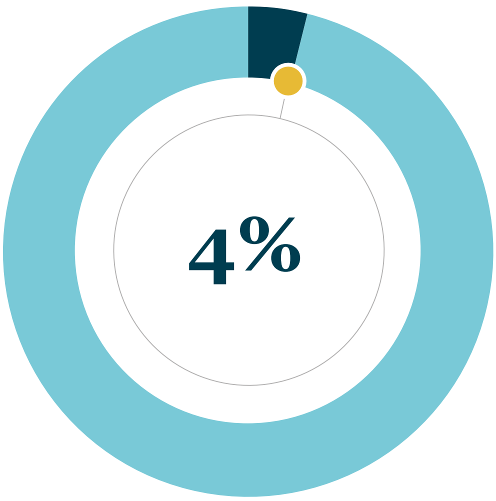


DC MARKET SHARE

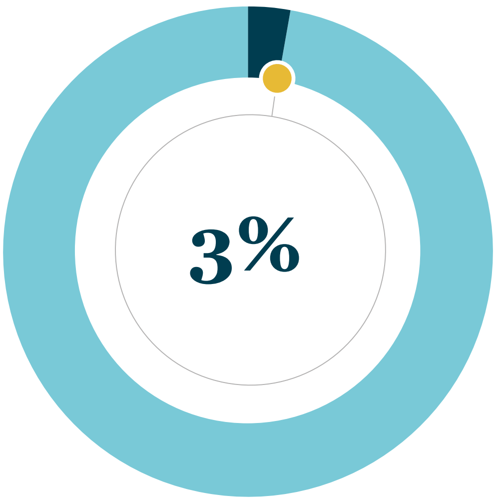


New Markets: Germany and the US[45]

GERMANY MARKET SHARE



ERCOT BESS MARKET SHARE



45 Note on methodology: for Germany and US (Texas) market share is expressed in terms of total installed capacity. German battery energy storage systems' market capacity is estimated at 619 MW, considering batteries > 1 MWh, according to 'The development of battery storage systems in Germany – a market review (status 2022)', Jan Figgener et al., RWTH Aachen University. For ERCOT, battery energy storage systems' market capacity is estimated as 1,007 MW based on Ascend Analytics ERCOT Market Report.

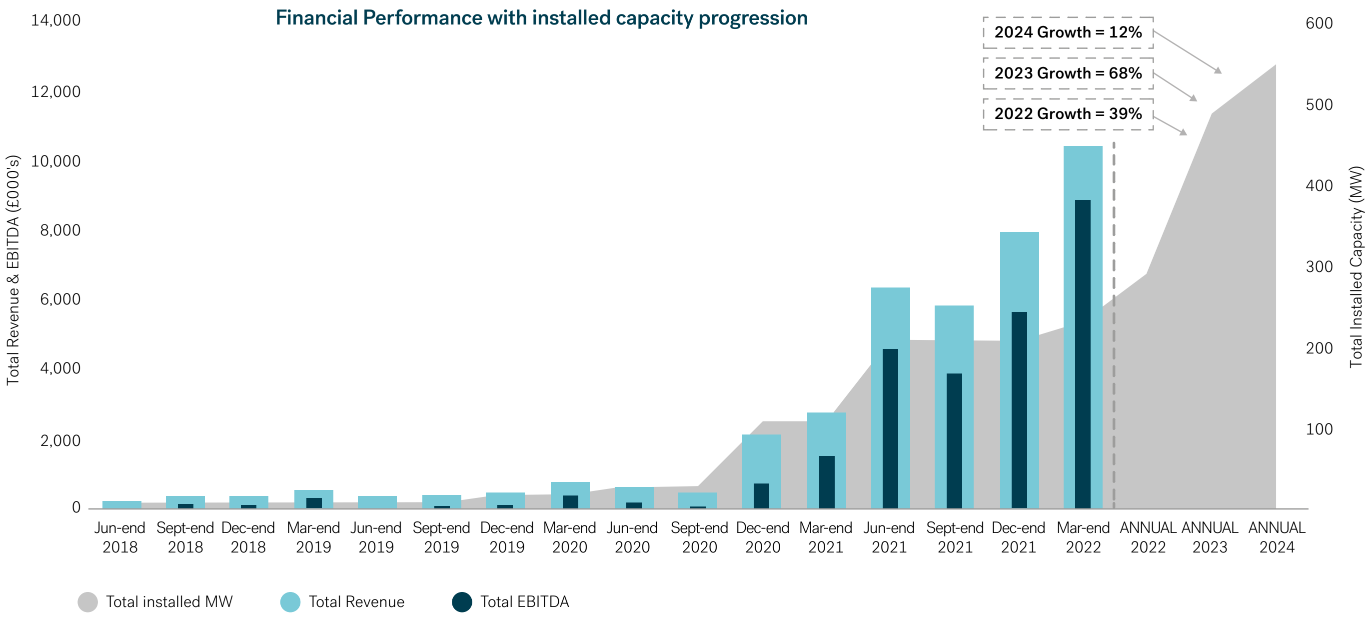
Portfolio Revenue Performance

The portfolio's growth, as represented below by the 23.2x increase in the Fund's installed capacity from 10.0 MW in June 2018 to 231.7 MW in March 2022, is largely attributable to the Company's strategic expansion into new markets.

The revenue growth, comprising a compound annual growth rate ("CAGR") of 181.5 per cent. since the Fund's inception, has been mostly driven by the increase in the operational installed capacity of the portfolio companies, both through the acquisition of operational sites and the commissioning of sites in construction, during the financial year. Additionally, EBITDA for the portfolio has experienced a CAGR of 191.2 per cent. largely due to the Investment Manager's in-house technical capabilities that allow the Company to minimise Opex, whilst optimising a revenue stacking strategy across its assets.

The Company's growth and its delivery against projected revenue streams are reflected in its Net Revenue and EBITDA performance, illustrated in the figure below.

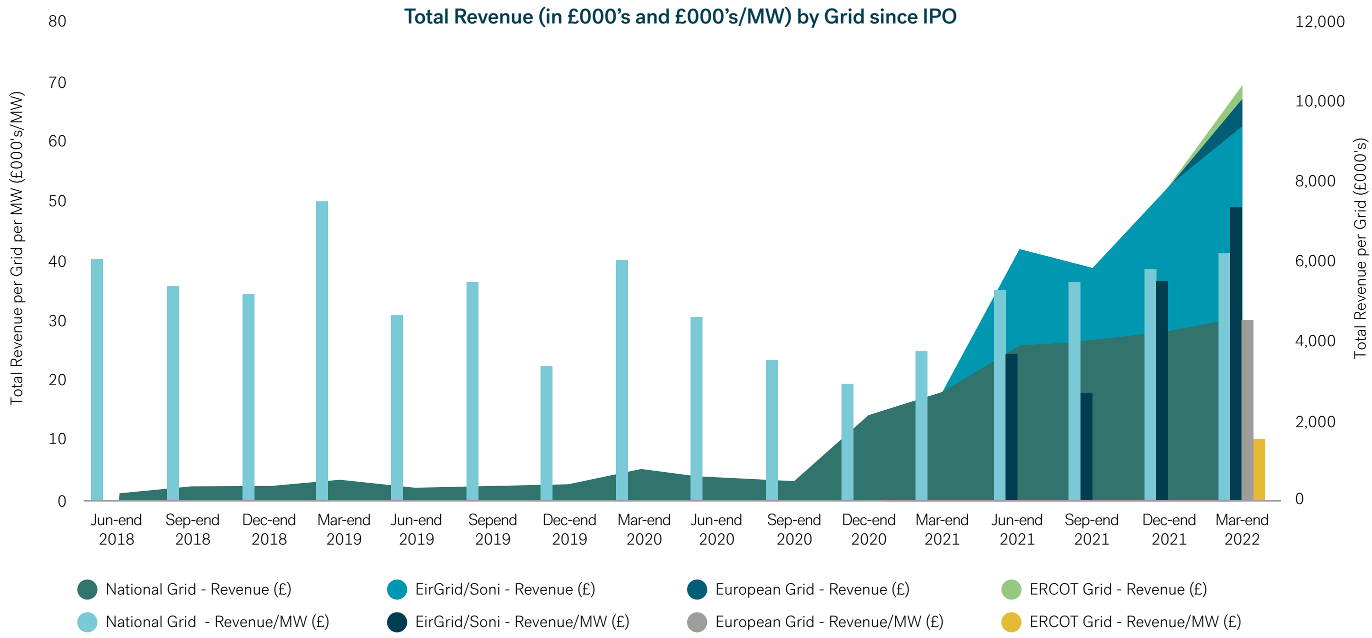
Figure 6: Representation of Total Net Revenue and EBITDA of operational portfolio Companies (£) since IPO, alongside installed capacity progression (historical and forecast). Data is presented per quarter[46]



46 Cremzow acquisition was completed on 3 March 2022, and it had a locked box date as of 1 January, which translates into all Assets' profits directed to the Company from locked box date. For the purpose of this illustration, the graph includes revenue and EBITDA relative to January, February, and March. Texas, US acquisitions were completed post-reported period and had a locked box date as of 1 March, which translates into all three operating Assets' profits directed to the Company from locked box date. For the purpose of this illustration, the graph includes revenue and Ebitda relative to March. Projections are not indicative of future results. Note on timeline: This timeline is based on events occurred after 31 March 2022 and incudes estimates to the best of the Investment Manager's knowledge.

Portfolio Revenue Performance Continued

Figure 7: Total Revenue (in £000's and £000's/MW) represented per each of the four grids: National Grid, EirGrid/SONI, European TSOs ('European Grid'), and ERCOT, Texas, since IPO[47]



Regarding the Company's Capex per MW, the Investment Manager is focused on capital discipline as a way of maximising returns to investors. The Investment Manager has an in-house procurement team that manages all EPC negotiations, including the assurance of warranties and technical specificities in accordance with revenue strategies. This considers optimal system duration strategy, degradation profile and Capex pricing expectation.

Notwithstanding material supply chain disruptions in the market during the fiscal year, the Company sought to minimise price hikes, utilising economies of scale. Through its existing EPC framework arrangements, the Group also sought to maintain timely access to equipment despite of market shortages.

47 Cremzow acquisition was completed on 3 March 2022, and it had a locked box date as of 1 January, which translates into all Assets' profits directed to the Company from locked box date. For the purpose of this illustration, the graph includes revenue relative to the months of January, February, and March. The US acquisitions in Texas were completed post-reported period and had a locked box date as of 1 March 2022, which translates into all three operating Assets' profits directed to the Company from this locked box date. For the purpose of this illustration, the graph includes revenue relating to March only for these US assets, hence its reduced revenue/MW figures.

Portfolio Overview[48]

GSF is currently the only listed energy storage fund in the UK that possesses international exposure, providing services to four different markets and their respective grids, in GB, Ireland, Western Mainland Europe (during the fiscal year) and Texas, US (post year-end). As of March-end, the Company has[49] 26 assets across GB, Ireland, and Germany, and, as of the publication date, it has increased its portfolio to 30 assets including 4 assets in the US.

Portfolio in GB and Ireland*

Asset name	Capacity	Ownership
1 Boulby	6.0 MW/6.0 MWh	99.90%
2 Cenin	4.0 MW/4.8 MWh	49.00%
3 Port of Tilbury	9.0 MW/4.5 MWh	100.00%
4 Lower Road	10.0 MW/5.0 MWh	100.00%
5 Mulavilly	50.0 MW/21.3 MWh	51.0%
6 Drumkee	50.0 MW/21.3 MWh	51.0%
7 Porterstown		
Phase 1	30.0 MW/30 MWh	51.00%
Phase 2	60.0 MW	51.00%
8 Kilmannock		
Phase 1	30.0 MW	51.00%
Phase 2	90.0 MW	51.00%
9 Ferrymuir	49.9 MW	100.0%
10 Hulley	20.0 MW/20.0 MWh	100.0%
11 Lascar	20.0 MW/20.0 MWh	100.0%

Portfolio in GB and Ireland*

Asset name	Capacity	Ownership
12 Breach	10.0 MW/10.0 MWh	100.0%
13 Larport	19.5 MW/19.5 MWh	100.0%
14 Ancala	11.2 MW/11.2 MWh	100.0%
15 Stony	79.9 MW	100.0%
16 Enderby	57 MW	100.0%

International Portfolio in US[50] and Germany*

Asset name	Capacity	Ownership
17 Cremzow	22.0 MW/29.0 MWh	90.00%
18 Synder	9.95 MW/19.9MWh	100.0%
19 Westover	9.95 MW/19.9MWh	100.0%
20 Sweetwater	9.95 MW/19.9MWh	100.0%
21 Mineral Wells	9.95 MWh	100.0%

Operational Assets

Assets under construction / pre-construction

Recently acquired assets

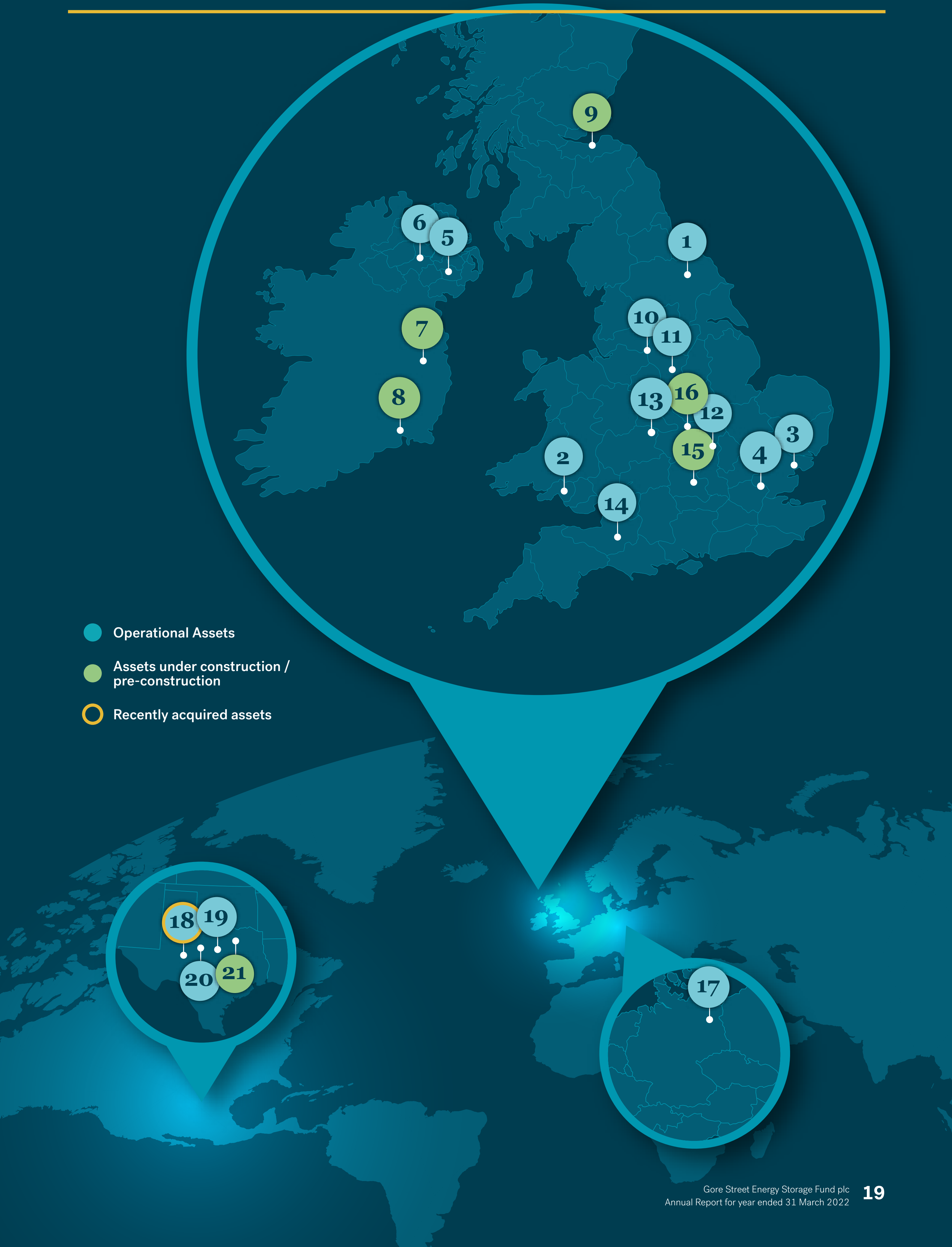
* MWh included for operational sites

48 Note on Ancala: The Ancala asset comprises 10 smaller sites of 1.0 MW – 1.2 MW across the UK. The pin location represents Brook Hall, one of the assets within Ancala.
Note on US assets: consist of three operational assets and one pre-construction asset located in the Texas, US,
Note on ROI Assets: Both projects in ROI have been granted capacity expansions by EirGrid, resulting in an additional 60.0 MW for Porterstown and an additional 90.0 MW Kilmannock, indicated as 'Phase 2' in each case above.

49 GSES 1 Limited is a wholly owned subsidiary of the Company, and it is the entity that holds the Company's Assets (referred to as the 'Company's portfolio' or 'GSF's portfolio').

50 Sales and Purchase Agreement (SPA) have been signed for eight assets in Texas, US, as per the Company announcement on 10 March 2022. Nonetheless, the transfer of ownership was completed for only four of the assets as of publication date and post year-end, in April 2022. The Investment Manager expects to complete the acquisition of the remaining four assets in the coming months once the various condition precedents have been met.

Figure 8: Company's portfolio assets as of the date of publication.



Portfolio Overview
Continued

Net Asset Value

There was a NAV increase of 6.2 pence per share, which together with dividends declared for the fiscal year,[51] represents a net asset total return of 13.1 per cent. during the fiscal year. From IPO to 31 March 2022, the Company has delivered a net asset total return of 34.2 per cent. inclusive of dividends.

Table 2: Net Asset Value of GSF: quarterly progress

Quarter End	Pence per share
Mar-21	100.9
Jun-21	101.0
Sep-21	103.3
Dec-21	103.9
Mar-22[52]	107.1

Dividend History

Since IPO, the Company has targeted dividends at a minimum of 7 pence per Ordinary Share in each financial year.[53] The Company is pleased to announce that as of the publication date, the Company has declared total dividends of 7.0 pence with respect to the period ending 31 March 2022, as targeted.

Table 3: Dividends in respect of per Quarter Ends

Ordinary Shares	
Quarter	**Dividends**
30 June 2021	2.0p
30 September 2021	2.0p
31 December 2021	2.0p
31 March 2022	1.0p

51 Note on 6.2 pence per share: based on Adjusted NAV. Adjusted NAV is calculated as the NAV per the Statement of Financial Position adjusted for the interim dividend relating to the December 2021 quarter of £6.9m or 2.0 pence per share, which was declared in March 2022 but paid post-period end on 1 April 2022. Note on Annual Dividend: A total of 7.0 pence in dividends were declared for the financial year: 4.0 pence in dividends were paid in the financial year and 2.0 pence in dividends have been paid as of the date of publication. The remaining 1.0 pence shall be paid in August 2022.

52 Adjusted NAV: Adjusted NAV is calculated as the NAV per the Statement of Financial Position adjusted for the interim dividend relating to the December 2021 quarter of £6.9m or 2.0 pence per share, which was declared in March 2022 but paid post-period end on 1 April 2022.

53 As per March 2022 Dividend policy, the Company will target dividends in respect of the Ordinary Shares in each financial year based on a 7 per cent. yield on the average Net Asset Value per Ordinary Share during that financial year, subject to a minimum target of 7 pence per Ordinary Share in each financial year. The annual target dividend will increase by 0.5 pence increments per Ordinary Share based on a certain progression of the average Net Asset Value per Ordinary Share in any financial year above 100 pence (subject to rounding).

Chair's Statement

I am pleased to report that GSF has achieved strong financial results in its fourth year.

On behalf of the Board, I am pleased to present the fourth audited Report and Accounts of the Gore Street Energy Storage Fund for the year ended 31 March 2022 and to report that GSF has achieved strong financial results with average net revenues per MW in Great Britain 68 per cent ahead of last year's, and 18.3 per cent higher than internal forecasts. NAV increased 154% to £369.6 million and NAV[54] per share (post-dividends) increased by 6.1 per cent. Net income increased 191 per cent. to £42.5 million. The Company raised a total of £208.6 million in two issuances: £135 million in April 2021, and a further £73.6 million in October 2021. Both capital raises were oversubscribed. Since IPO, the Company has targeted and delivered dividends of 7 pence per Ordinary Share in each financial year, and it shall do so again in this fiscal year.

Our report issues against the backdrop of the most significant geopolitical event of the 21st century, Russia's invasion of Ukraine. This has altered the strategic energy landscape, heightened the focus on energy security, and led to renewed pledges to hasten the energy transition towards renewables-led decarbonisation. Both in terms of energy security and the energy transition grid-scale battery storage has a vital contribution to make. The wider macroeconomic and potential supply chain consequences of the war are being kept under active review by the Board and our Investment Manager.

As the first UK-listed energy storage fund, we are proud to be the only such fund to expand services into both Western Europe and North America. The Board agreed to increase the scope of services delivered by the Investment Manager[55] whose deepening talent pool and operational expertise will permit Gore Street to deliver its ambitious expansion plans and to maintain a position of leadership in the rapidly growing market for battery energy storage.

Strategy and Performance

As of the date of publication, GSF's portfolio consists of 668[56] megawatts (MW) of utility-scale energy storage assets across the UK, the Republic of Ireland, Germany, and the United States, of which 291 MW are operational and 377 MW are at varying stages of construction.

In the past year, the Company focused on operational growth through global diversification, acquiring three projects in England and Germany during the fiscal year and, an additional 4 sites in the United States (in Texas) as of the date of publication. It is a personal pleasure to note that our first asset in the Republic of Ireland, PBSL, became fully energised as of the date of publication, increasing the operational portfolio by a total of 81 MW, a 38 per cent. Increase since our last Annual Report. [57]

While the operational portfolio increased by 10 per cent. from March-end 2021 to March-end 2022, revenues were nearly four times higher for the same period. The rise in revenue from almost £3 million in the quarter ending March 2021 to over £10 million in the quarter ending March 2022 can be attributed both to the growth of the operational portfolio in the previous fiscal year and to increases in market demand for ancillary and trading services. Moreover, the Investment Manager's team has improved its revenue stacking capability and has entered stronger revenue optimisation partnerships.

Our NAV growth also results from our efforts at maintaining financial discipline in construction and asset management. The Manager strongly believes in capital efficiency and strives to achieve amongst the lowest Capex and/or Capex/MW in the industry through leveraging its in-house technical know-how.

54 Adjusted NAV of March 2022 compared to NAV 2021. Adjusted NAV is calculated as the NAV per the Statement of Financial Position adjusted for the interim dividend relating to the December 2021 quarter of £6.9m or 2.0 pence per share, which was declared in March 2022 but paid post period end on 1 April 2022.
55 Through its subsidiary, Gore Street Operational Management Limited, the Investment Manager oversees the construction, and management of the Company's operations post acquisition, and is responsible for the supervision of asset construction, asset management, fault correction, and revenue optimisation strategies across the portfolio.
56 The 668 MW portfolio includes the four assets totalling 39.8 MW in Texas, US, acquired from Perfect Power Solutions in April 2022.
57 The site is fully energized and now waiting for confirmation on contract commencement.

Chair's Statement Continued

This, together with our strategic partners and the exploitation of economies of scale, has ensured the timely development of construction projects despite heavy supply chain instability within the industry related to the current social and geopolitical climate.

New and Evolving Markets

There is a clear global shift towards low carbon energy generation. In all key regions in which the Company provides grid balancing and market services, there is a political commitment to achieve carbon neutrality by 2050, with Germany now committed to 100 per cent renewable power by 2035 in the light of Russia's invasion of Ukraine.[58,59,60,61] These political ambitions should encourage a strong economic tailwind for continued and rapid growth within the battery storage sector.

Notwithstanding an increase in participants in the energy storage market, the Company still maintains a material share of the grid balancing services of large-scale battery storage systems. We accredit our market share to not just our size and scale, but also to our operational and technological reliability.[62] In the fiscal year, the Company maintained operational performance at an average availability of 97 per cent.[63] Operational HSE performance has been very reassuring, as the Manager works closely with EPC contractors and O&M providers to ensure Health and Safety of the Company's sites during the construction and operation stages. The Company aims to always operate in a manner that safeguards public health, property and the environment and I am therefore proud to note that the GSF has had no health or safety incidents or community complaints in the fiscal year.

DC and FFR are two primary ancillary services delivered by large-scale batteries to the UK National Grid. The Company represents13 per cent. of the DC market and 8 per cent of the FFR market. In Ireland, where ancillary services are delivered under the DS3 program, Gore Street accounts for 55 per cent. of DSC capped (fixed price) contracts, and 13 per cent. of DS3 uncapped (floating price) agreements.

The Company began to deliver Frequency Containment Reserves ("FCR") in Germany during the fiscal year and now accounts for 4 per cent of grid-scale battery ancillary services market in Germany. As of the date of publication, GSF's services account for 3 per cent. of the grid-scale battery ancillary services market in Texas's ERCOT market.[64]

The Company's strong performance further justifies the Manager's extensive pipeline of energy storage assets spanning multiple continents, which, in turn, enables the Manager to enhance the diversification of the Company's portfolio whilst expanding into new markets. As of the publication date, we have secured exclusive rights to negotiate contracts for 495.0 MW of new projects, of which 295.0 MW are outside of the UK and the Republic of Ireland.

Environmental Impact and Social Sustainability

Gore Street's purpose is to deliver long-term capital growth to its investors through the construction, operation, and optimisation of a geographically diverse portfolio of utility-scale battery storage systems. Since IPO, the Company has maintained that energy storage is a crucial component in accelerating the transition of national grids to cleaner energy and that our products and services are intrinsically entwined with these environmental objectives.

In the fiscal year, we have commenced compliance with SFDR (including the TCFD climate change disclosures) and committed to track and report environmental and social performance utilising specific EU metrices that apply to global and European investors. Similar metrices and performance targets are now underway in the United Kingdom.[65] By signing up to SFDR, the Company has committed to provide investors with visibility of the Company's score card for select environmental principles and to continuously evaluate and integrate those principles into the Company's business activities, from acquisition to construction and through the operating and decommissioning periods of an asset's life cycle.

58 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1033990/net-zero-strategy-beis.pdf
59 https://www.gov.ie/en/press-release/9336b-irelands-ambitious-climate-act-signed-into-law/
60 https://www.whitehouse.gov/briefing-room/statements-releases/2021/04/22/fact-sheet-president-biden-sets-2030-greenhouse-gas-pollution-reduction-target-aimed-at-creating-good-paying-union-jobs-and-securing-u-s-leadership-on-clean-energy-technologies/#:~:text=Building%20on%20and%20benefiting%20from,economy%20by%20no%20later%20than
61 Panorama - Germany raises the bar on renewable energy with new set of laws for 100 percent renewable power - Renewable Energy Magazine, at the heart of clean energy journalism
62 Further details on the Company's market share are explained in the 'Market Share' section below.
63 Availability expressed as the percentage of hours without unexpected technical issues or maintenance preventing operation.
64 Note on methodology: for Germany and US (Texas) market share is expressed in terms of total installed capacity. German battery energy storage systems' market capacity is estimated at 619 MW, considering batteries > 1 MWh, according to 'The development of battery storage systems in Germany – a market review (status 2022)', Jan Figgener et al., RWTH Aachen University. For ERCOT, battery energy storage systems' market capacity is estimated as 1007 MW based on Ascend Analytics ERCOT Market Report.
65 FCA (2021): "We are considering the European Commission's Sustainable Finance Disclosure Regulation and proposed Regulatory Technical Standards as we develop our policy design for the FCA's implementation actions under the Government's proposed SDR". ('A strategy for positive change: our ESG priorities'. Available at: https://www.fca.org.uk/publications/corporate-documents/strategy-positive-change-our-esg-priorities#lf-chapter-id-executive-summary

Chair's Statement Continued

SFDR compliance means that the Company will evaluate its progression towards social and governance performance targets ahead of adoption and codification by the Financial Conducts Authority in the UK.[66] Specifically, we are tasked as market leaders to encourage industry-wide evaluation of our sources of raw materials used in cell and battery production and of the way decommissioning will occur as batteries approach end of life. We intend to add to Board membership in the coming year, having regard to the appropriate skills and diversity essential to ensuring the Fund's future prosperity.

The Company will publish its first ESG Pillars Report on its website in August 2022 (including its environmental data) and thereafter will release an update of its progress on an annual basis.

COVID-19, and Other Principal Risks and Uncertainties

Since IPO, the United Kingdom's economy has been impacted by Brexit and the coronavirus (Covid-19) although the Company's operational and construction activities have remained largely on target. The Company established supply and procurement framework arrangements which allowed the Group to benefit from economies of scale over the past few years and to maintain timely and preferred access to equipment notwithstanding market shortages. However, there is a risk that continued market disruption will begin to materially impact construction and supply chain activities.

Whilst the UK is not materially reliant on Russian gas[67], the Russian-Ukrainian conflict does increase global instability and may arguably have accelerated the business case for increased reliance on renewable power in Ireland, Germany, and other parts of Europe. We discuss the potential impact of geopolitical conditions and other risks alongside our mitigation strategies on pages 59-61.

Use of Funds, Dividends and AGM

We returned to investors twice during the fiscal year to raise funds and were oversubscribed when we completed a modest 2021/2022 issuance programme for 250 million shares, raising £208 million during the fiscal year. The Fund market cap exceeded £400 million during the fiscal year, growing to the point of inclusion in the FTSE All-share index.

With funds raised and allocated across the existing construction and acquisition pipelines, the Company elected, after the fiscal year, to issue a 2022/2023 issuance programme of 750 million shares but limited its initial raise to 160 million shares (which was again oversubscribed). As of the date of publication, Gore Street's market cap is £0.58 billion. The Company's share price has consistently traded at a premium to NAV throughout the reporting period.

The Board declared dividends for the reporting period amounting to 7p per Ordinary Share, in keeping with its dividend policy. This represents the fourth consecutive year of dividend allocation. The Board will propose for the final 1p payment to be scheduled for distribution to shareholders around the time of publication of this report.

The Company plans to host its 2022 AGM as a hybrid meeting on the 20th of September 2022. With the recent increase in incidents of COVID 19, shareholders are encouraged to attend virtually. Further details, including the location, video and/or audio link, and questions and answers procedure, will be provided in the Notice of AGM.

Dividend Ratification

The Board was concerned to learn a technical issue has arisen in respect of the Company's procedure for the payment of the interim dividend of 2.0 pence per Ordinary Share for the period from 1 July 2021 to 30 September 2021 paid on 7 January 2022 and the interim dividend of 2.0 pence per Ordinary Share for the period from 1 October 2021 to 31 December 2021 paid on 1 April 2022 (the "Interim Dividends"). The aggregate amount of the Interim Dividends was approximately £13.8 million.

This issue arises from an inadvertent failure to file interim accounts with Companies House showing that sufficient distributable reserves were available when the dividends were paid.

A special resolution will be proposed at the Company's forthcoming AGM to resolve this technical issue.

The Board has been working closely with the Manager to ensure that lessons are learned and that processes have been enhanced to avoid a recurrence.

More detail is set out in the Financial Notes 21 page 123.

66 FCA (2021): "We are considering the European Commission's Sustainable Finance Disclosure Regulation and proposed Regulatory Technical Standards as we develop our policy design for the FCA's implementation actions under the Government's proposed SDR". ('A strategy for positive change: our ESG priorities'. Available at: https://www.fca.org.uk/publications/corporate-documents/strategy-positive-change-our-esg-priorities#lf-chapter-id-executive-summary

67 In 2021 imports from Russia made up only 4% of gas used in the UK, 9% of oil and 27% of coal.

Chair's Statement
Continued

Directors Responsibilities Pursuant to Section 172

The Directors are responsible for acting in good faith and towards the success of the Company for the benefit of its members. In doing so, Directors must have regard for 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 71-98.

Viability and Going Concern

The Directors have assessed the prospects of the Company over a period of five years and confirm our reasonable expectation of viability and continuance over that term. The Board deemed this period appropriate due to the early stage of development of both the Company and its investment portfolio after 40 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 71-98.

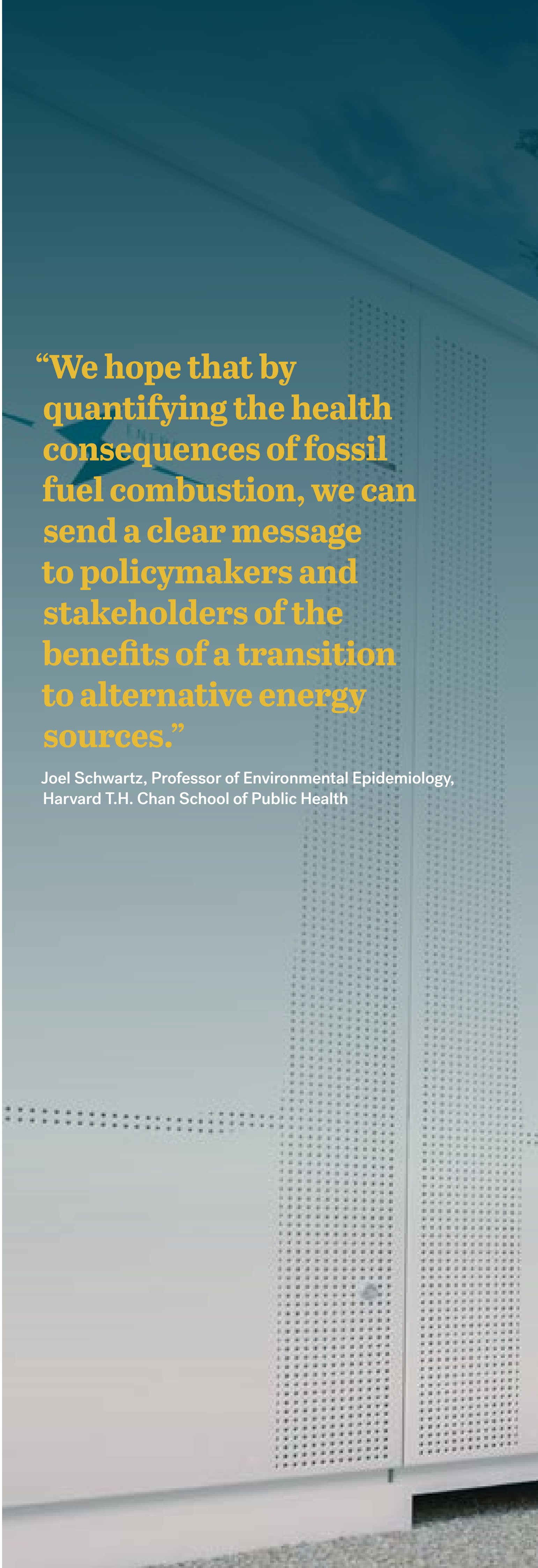
Closing Remarks

The year ending March 2022 marks the year of strong performance at the Company. The Investment Manager has added to its talent pool thus enhancing our capacity to meet ambitious targets, contain costs, maximise revenues, and grow both financially and responsibly, while entering new markets. On behalf of the Board, I wish to thank the Investment Manager, its CEO, Alex O' Cinneide, and the staff together with our suppliers and service providers for their individual and collective contributions to our success.

The Company is now part of the critical infrastructure necessary for incorporating greater amounts of renewable energy into national and regional power grid systems in the United Kingdom, Ireland, Germany, and the United States. With the support of our shareholders, I am confident of Gore Street's capacity to deliver our ambitious growth plans and look forward to continued success.

Patrick Cox
Chair

Date: 25 July 2022



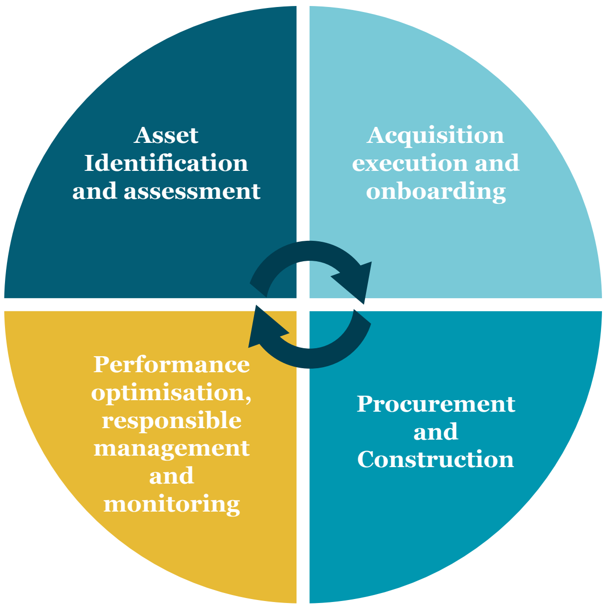
"We hope that by quantifying the health consequences of fossil fuel combustion, we can send a clear message to policymakers and stakeholders of the benefits of a transition to alternative energy sources."

Joel Schwartz, Professor of Environmental Epidemiology, Harvard T.H. Chan School of Public Health

Strategic Report

Strategic Report

Business Model



1. Asset identification and assessment

The Investment Manager has assessed hundreds of projects since the Fund's IPO to select opportunities that meet the Company's investment policy. As part of its assessment of investment opportunities, the Investment Manager routinely runs market analyses on each grid network within its geographical mandate. The Investment Manager's team also works with local advisors to evaluate the regulatory environment applicable to each grid operator. The Company has established a strong network of project developers that possess a deep understanding of early-stage project development to ensure that projects identified for investments meet or will meet land, planning and grid energisation requirements by the time of acquisition. The Investment Manager has designed the Company's portfolio to be geographically diverse with flexibility in mind so that the Company can withstand regulatory and technological changes in the evolving energy policy climates of the various markets in which it has a mandate to operate.

2. Acquisition execution and onboarding of new assets/projects

The Investment Manager's team is comprised of professionals with experience in finance, legal, asset construction, engineering, and operations. The Investment Manager manages the acquisition process from bid to close. It relies on third parties to ensure due diligence and remove biases in assessing opportunities. It aims to design transactions in a manner that allocates project risks in accordance with the Company's investment policy. The investment team is also responsible for monitoring and integrating the Company's health, safety, environmental, social and investment objectives into the Company's acquisition model.

3. Procurement and Construction

The Operations Manager has an in-house procurement team, with both the legal and technical expertise to negotiate all key contracts for project engineering and construction and obtain warranties for continued battery performance. The construction and development team are responsible for monitoring project construction and holding relevant stakeholders accountable for cost and quality control and timeline management. The team is also responsible for monitoring and integrating the Company's health, safety, environmental, social and investment objectives into the Company's construction model.

4. Performance Optimisation, Responsible management, and monitoring

The Operations Manager dictates the parameters for revenue stacking and optimisation for the portfolio. It forms its bidding strategies by taking into consideration energy market dynamics, regulatory limitations, and existing contract commitments and then works with optimisation and trading professionals to maximise revenue streams. The Operations Manager also monitors asset performance in order to ensure asset availability for revenue contracts. The asset performance team is responsible for managing relationships with stakeholders, monitoring technical performance and maximising asset availability. The team is also responsible for monitoring and integrating the Company's health, safety, environmental, social and investment objectives into the Company's operations model.

Strategic Report
Continued

2. Investment Summary

Investment Objective

The investment objective of the Company is to seek to provide investors with a sustainable and attractive dividend over the long term by investing in a diversified portfolio of utility-scale energy storage projects.[68] In addition, the Company seeks to provide investors with an element of capital growth through the re-investment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

1. Asset Diversification and Revenue Stacking

Assets are diversified across different stages (operation, under construction and pre-construction), and through the ability to participate in different services, with most of the sites expected to generate revenue from more than one contract. Furthermore, the portfolio is spread across four different geographical grids. Revenue diversification is also achieved through the potential to "stack" several different income streams in one battery, allowing the Company to spread risks across different counterparties, contract lengths and maintain varying return profiles. The Company aims to maintain similar diversification across third-party service providers and works with a variety of developers, EPC contractors, O&M contractors, battery manufacturers, asset managers and route-to-market providers.

2. Geographical Concentration and Diversification

The Company may invest in projects in the UK, the Republic of Ireland, North America, Western Europe, Australia, Japan, and South Korea, although it does not intend that the aggregate value of investments outside the UK and the Republic of Ireland will be more than 60 per cent. of Gross Asset Value (calculated at the time of investment).

It is the Company's intention that no single project will have an acquisition price greater than 20 per cent. of Gross Asset Value of the Group as a whole (calculated at the time of acquisition). However, to retain flexibility, the Company will be permitted to invest in any single project (or interest in any project) that has an acquisition price of up to a maximum of 25 per cent. of the Company's Gross Asset Value (calculated at the time of acquisition).

3. Currency Exposure Management

The Company enters into hedging arrangements as appropriate to manage its exposure to foreign currency, ensure repayment of capital expenditure, protect against interest rate hikes, and efficiently manage operating cash flow to ensure repayment of intra-Group debts. The Company will not enter into derivative transactions for speculative purposes. During the fiscal year, the Company hedged between 50-80 per cent. of near-term forecast cashflows in the Republic of Ireland in order to manage its exposure against deviations in the euro-pound exchange rate and ensure appropriate protection of the Company's interests in Ireland and Northern Ireland.

4. Gearing

The Board and the Investment Manager periodically review the Company's gearing policy to ensure that it is accretive to Shareholders and in line with the financing needs of the Group's expanding portfolio.

During the fiscal year, the Company determined in light of the energy storage market's maturity, to increase its ability to utilise debt where appropriate (subject to the prior approval of the Board) to expand the size and scale of operations, support the development of an expanding portfolio, and to seek to enhance profitability. The Directors intend for the Company to maintain a conservative level of borrowings but have increased the maximum cap from 15 per cent. to 50 per cent. of Gross Asset Value (calculated at the time of drawdown of the relevant borrowings).[69] Notwithstanding the increased cap, the Directors have instructed the Investment Manager to apply a firm borrowing limit of no more than 30 per cent. of gross assets at any time and the Directors commit to inform Shareholders prior to any amendment of its views and guidelines on gearing.

The Company is a guarantor under a £15 million facility held by the Company's subsidiary, GSES 1 Limited. The facility may be used to fund acquisitions, for construction of assets, and for general working capital requirements.

68 GSES 1 Limited is a wholly owned subsidiary of the Company, and it is the entity that holds the Company's Assets (referred to as the 'Company's portfolio' or 'GSF's portfolio').
69 As per the Circular published to shareholders on 22 March 2022

Investment Manager's Report

CEO of Gore Street Capital, the Investment Adviser to the Company, Alex O'Cinneide commented:

"I am pleased to report that the Company continues to enjoy a sustained period of rapid growth, responding to the pressing and global increasing need to enable the energy transition to a low carbon society through energy storage solutions and in the process, further diversifying our portfolio for shareholders. We have achieved this through a mixture of financial and operational success, raising additional capital via highly successful, oversubscribed fundraises, from both institutional and retail investors; as well as delivering on our strategy, first laid out in our IPO of 2018 when we defined this category of investing, of building the industry-leading international portfolio of energy storage assets, now totalling 628.5 MW.

Our growing team of technology and engineering resources are proactively managing both the operational and in-construction assets to ensure that costs and construction risks continue to maintain our market-leading position. This active asset management approach continues to optimise Capex of the portfolio of assets which increases both performance and profitability, providing greater returns for shareholders.

Additionally, our onsite teams assess how best to keep construction on time and within budget, something that the Company has had great success with to date, even in this period of supply chain challenges; as well as carefully designing each asset to be optimised for maximum efficiency once operational.

The 291.6 MW operational portfolio[70] continues to deliver significant cash flow for the Company and has ensured we have maintained our robust dividend of 7 pence per share. The end of the period saw the GB and Northern Irish assets perform extremely well; outperforming revenue expectations considerably.

During the 2021 financial year, we successfully raised £135.0 million in April 2021 and a further £73.6 million in October 2021 via a Placing and PrimaryBid offer, with an additional £150.0 million raised post-period end. Both fundraisers were oversubscribed, resulting in a scaling back exercise. The strong demand came from new and existing investors, further broadening our capital base. The substantial increase of investible capital has given the Company additional headroom to continue our strategy of expanding into other geographies, with our first acquisition in Germany, during the period, and in the United States post-reporting period, both of which add a layer of geographical and revenue diversity to our already highly diverse portfolio of energy storage assets, de-risking Gore Street further for our shareholders.

The global transition to clean and renewable energy generation continues to be a dominant priority for governments both domestically and internationally, and our assets play an important role in supporting energy security and the transition to a low-carbon society, as well as creating substantial value for shareholders.

We look ahead to the next year with optimism and look forward to updating shareholders on our progress during regular intervals throughout 2022 and beyond."

70 As of the date of publication

Portfolio Overview

As of March 2022, the Company has an interest in 26 assets held within 16 portfolio companies[71].

Summary of Recent Portfolio Developments

As of March 2022, the Company has increased its total portfolio to 628.5 MW, comprised of 231.7 MW of operational assets and 396.8 MW of construction and pre-construction projects. The latter includes the grant secured in November 2021 from EirGrid to increase KBSL grid capacity in the ROI by a further 90.0 MW, and the 60.0 MW expansion of PBSL in the ROI secured last year.

The Company's portfolio as of March 2022 represents an increase of 134 per cent. in portfolio development capacity (MW) since March 2021, and an 11 per cent. increase in the operational capacity.

The Stony (79.9 MW) and Enderby (57.0 MW) assets acquired in April and September, respectively, are expected to become commercially operational in Q2 and Q4 2023 calendar year, respectively.

The Company successfully marked its second stage of expansion outside the GB market in March 2022 (having expanded into Ireland in July 2019), with the acquisition of the Cremzow (22.0 MW) assets in Germany. The Cremzow site has been operating to specification and delivering revenues to the Group since January 2022[72]. This milestone is further evidence of the successful application of the Company's investment methodology to new markets.

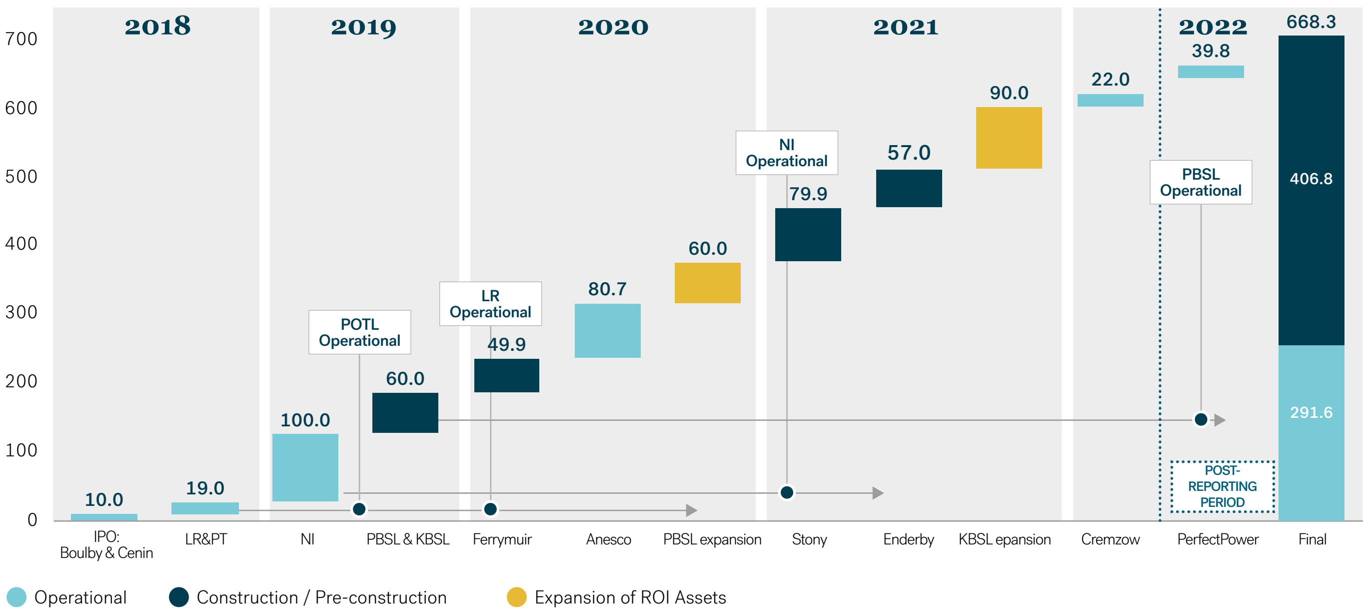
The Company also signed contracts for its first US acquisition in March 2022, comprising an 79.6 MW portfolio of three operational sites and five pre-construction sites in Texas. The Company has since completed acquisition of three 9.95 MW operational assets and one 9.95 MW projects in pre-construction stage[73] , post the reporting period. The three operational sites began to generate merchant revenues for the Group, as of April 2022[74], through delivery of ancillary services in the ERCOT market. The fourth asset is scheduled to be operational in the second half of 2023.

The Company also reached a milestone in the ROI after the reporting period, with its Porterstown asset coming energised as of the date of publication. PBSL will be delivering services to EirGrid.[75]

In total, the Company's operating portfolio as of the date of publication is 291.6 MW and the total portfolio capacity is now 668.3 MW.

The portfolio buildout provided below illustrates the Company's acquisitions since IPO, highlighting the relevant milestones as of March-end and as of the publication date.

Figure 9: Portfolio by Stage. Note: colours indicate the status of assets, as of March-end. LR and PT stand for the Company's assets, Lower Road, and Port of Tilbury, respectively.



71 GSES 1 Limited is a wholly owned subsidiary of the Company, and it is the entity that holds the Company's Assets (referred to as the 'Company's portfolio' or 'GSF's portfolio'. The 26 assets and 16 portfolio companies do not account for the four US acquisitions (Snyder, Westover, Sweetwater, and Mineral Wells) completed in April 2022, as this falls outside of the fiscal year. Signature of Purchase agreement was announced on the 10th of March 2022.
72 The Cremzow acquisition was completed on 3 March 2022, however the revenues for the asset were held in a locked box since 1 January 2022 and are payable to the Company.
73 The Company expects to complete the acquisition of the remaining four assets in the coming months once the various condition precedents have been met.
74 Acquisition of the sites closed in April 22 with a locked box date on 1 March 2022.
75 The site fully energized and now waiting for confirmation on contract commencement.

Portfolio Overview
Continued

Investment commitments made during the year and for projects closed post-year end are listed in the table below.

Table 4: Capital Commitment and expected Commercial Operational Dates (COD) for projects acquired during the fiscal year as well as projects signed during the fiscal year but closed post year-end. The percentage committed is calculated based on the deals closed in the period up to publication and does not include deals that were signed but not closed.

Completion Date	Project	Location	COD[76]	% Owned by the Company	Status	Capital Commitment*[77]	% of cash on balance sheet as at 31 March 2022 committed to project
May 2021	Stony	England	Q2 2023	100%	Pre-construction	£30.8m	14.1%
September 2021	Enderby	England	Q4 2023	100%	Pre-construction	£29.7m	13.6%
March 2022	Cremzow	Germany	Q2 2019	90%	Operational	£0.0m	0.0%
Assets signed within the reported period, but completed post-reported period:							
March 2022	Snyder	Texas, US	Q4 2021	100%	Operational	£7.5m	3.4%
March 2022	Sweetwater	Texas, US	Q4 2021	100%	Operational	£7.5m	3.4%
March 2022	Westover	Texas, US	Q4 2021	100%	Operational	£7.5m	3.4%
March 2022	Mineral Wells	Texas, US	H2 2023	100%	Pre-construction	£6.9m	3.1%

As of March 2022, the Company has outstanding commitments of £210.8m, broken down below.

Table 5: Outstanding commitments as of 31 March 2022[78]

	2022	2023	2024	2025	Total
Outstanding commitments (% of Cash on Balance Sheet as of 31 March 2022)	53.3%	16.6%	24.9%	1.6%	96.4%
Committed amounts (£ mil)	116.6	36.3	54.4	3.5	210.8

76 Including grid connection date.
77 Expected capex (including development fee, grid connections costs and EPC) committed but yet to be deployed.
78 Note on timeline: This timeline assumes events occurred after 31 March 2022 and includes estimates to the best of the Investment Manager's knowledge.

Portfolio Summary

The Company's 628.5 MW portfolio of energy storage assets is made up of operational assets, assets under construction ("construction assets") and assets undergoing design and contracting ("pre-construction assets").

A summary of the Company's operational assets is provided in table 7 below and a summary of its construction projects and pre-construction projects is available in table 8 below:

Table 6: Summary, as of 31 March 2022, of all sites in construction, including the location of assets, capacity (MW), construction status and the expected Commercial Operational Date (COD), expressed as calendar year.

Fiscal Year	GB	Location	Nameplate power capacity (MW)	Construction Status	Expected COD (Calendar year)	Revenue Streams
	Ferrymuir	Fife, Scotland	50.0	Pre-Construction	Q1 2023	Frequency Capacity Market Energy Trading
	Enderby	Leicestershire, England	57.0	Pre-construction	Q4 2023	Frequency Capacity Market Energy Trading
	Stony	Buckinghamshire, England	79.9	Pre-construction	Q2 2023	Frequency Capacity Market Energy Trading
	Ireland	**Location**	**Nameplate power capacity (MW)**	**Construction Status**	**Expected COD**	**Revenue Streams**
	Porterstown Phase 1	Co. Dublin	30.0	Under Construction	Q3 2022	DS3 Uncapped Capacity Market
	Porterstown Phase 2	Co. Dublin	60.0	Pre-construction	H1 2024	DS3 Uncapped Capacity Market
	Kilmannock Phase 1	Co. Wexford	30.0	Pre-construction	Q4 2023*	DS3 Uncapped Capacity Market
	Kilmannock Phase 2	Co. Wexford	90.0	Pre-construction	Q4 2023*	DS3 Uncapped Capacity Market
Post year-end acquisitions	**US**	**Location**	**Nameplate power capacity (MW)**	**Construction Status**	**Expected COD**	**Revenue Streams**
	Mineral Wells	Texas	9.95	Pre-construction	H2 2023	Ancillary Services Energy Trading

*Expected timeline as of 31 March 2022. As of the publication date, the Investment Manager anticipates delays in the timeline. Commissioning dates to be confirmed by the Investment Manager.

Portfolio Summary
Continued

Table 7: Summary, as of 31 March 2022, of operational sites including the location of assets, nameplate capacity (MW and MWh), availability for the year and services that can be performed.

Fiscal Year	GB	Location	Name Plate Power capacity (MW)	Name Plate Energy capacity (MWh)	Availability for the year	Services that can be performed
	Cenin	Wales	4.0	4.8	94.9%	DC, FFR, Capacity Market
	Boulby	Yorkshire	6.0	6.0	93.4%	FFR, Capacity Market, Triads
	Ancala	Mixed*	11.2	11.2	96.7%	DC, FFR, Capacity Market
	Lower Road	Essex	10.0	5.0	87.4%	DC, FFR, Energy Trading, Capacity Market
	Port of Tilbury	Essex	9.0	4.5	92.3%	DC, FFR, Capacity Market, Triads
	Larport	Hereford	19.5	19.5	99.6%	DC, FFR, Energy Trading, Capacity Market
	Lascar	Bury	20.0	20.0	99.0%	DC, FFR, Energy Trading, Capacity Market
	Hulley	Macclesfield	20.0	20.0	98.7%	DC, FFR, Energy Trading, Capacity Market
	Breach Farm	Derbyshire	10.0	10.0	99.2%	DC, FFR, Energy Trading, Capacity Market
	Ireland	**Location**	**Name Plate Power capacity (MW)**	**Name Plate Energy capacity (MWh)**	**Availability for the year**	**Services that can be performed**
	Drumkee	Co. Tyrone	50.0	21.3	97.4%	DS3 Uncapped
	Mullavilly	Co. Armagh	50.0	21.3	97.1%	DS3 Uncapped
	Germany	**Location**	**Name Plate Power capacity (MW)**	**Name Plate Energy capacity (MWh)**	**Availability since acquisition**	**Services that can be performed**
	Cremzow	Cremzow	22.0	29.0	100%	FCR, Energy Trading
	TOTAL		**231.7**	**172.6**		

Post year-end acquisitions	US	Location	Name Plate Power capacity (MW)	Name Plate Energy capacity (MWh)	Availability since acquisition	Services that can be performed
	Snyder	Scurry County, Texas	9.95	19.9	N/A	RRS, Energy Trading
	Sweetwater	Nolan County, Texas	9.95	19.9	N/A	RRS, Energy Trading
	Westover	Ector County, Texas	9.95	19.9	N/A	RRS, Energy Trading
	TOTAL		**29.9**	**59.7**		

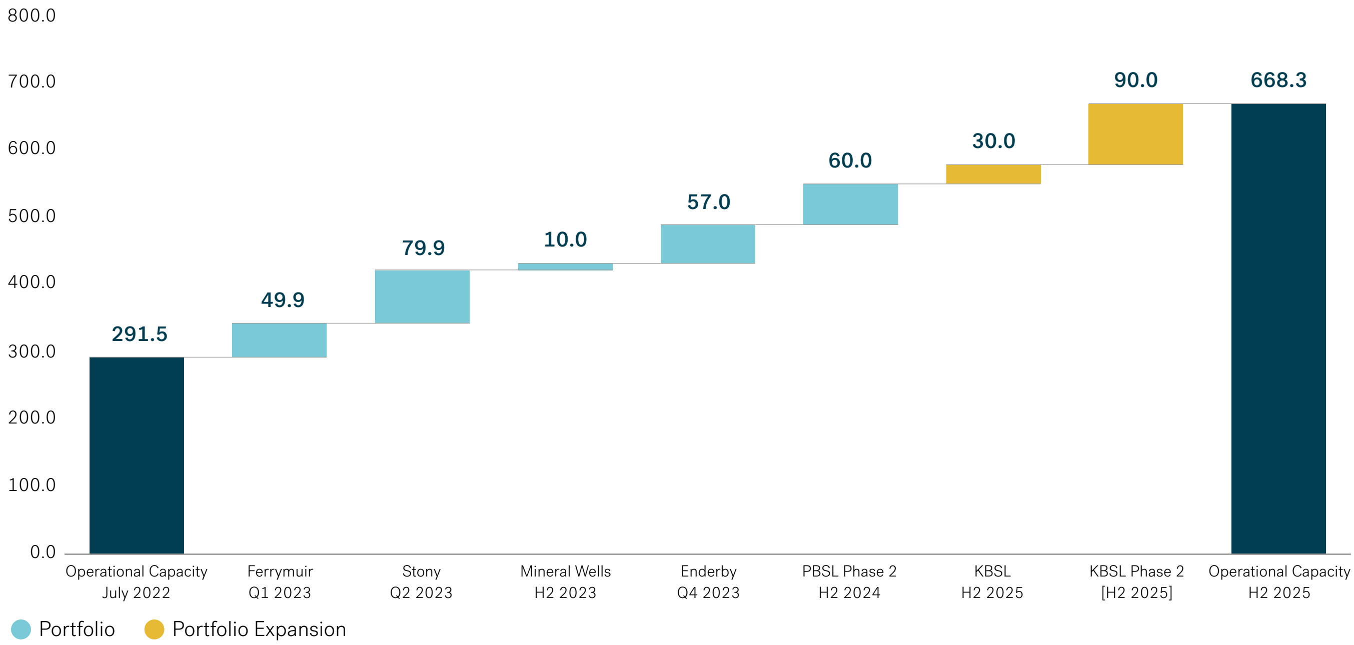
*The Ancala asset comprises 10 smaller sites of 1.0 MW – 1.2 MW across the UK. Availability for the year for US assets Snyder, Sweetwater and Westover is not applicable, as these are post year-end acquisitions.

Portfolio Summary
Continued

Portfolio Installed Capacity: Expected Completion Date

The Manager[79] expects all sites currently under construction or pre-construction to begin commercial operations by the end of the second quarter of the 2025 calendar year.

Figure 10: Expected Completion Date of sites under construction and Installed Capacity expectations for the portfolio by 2025.[80]



79 Investment Manager and Operations Manager collectively referred to as the Manager.
80 Note on timeline: This timeline is based on events occurred after 31 March 2022 and includes estimates to the best of the Investment Manager's knowledge.

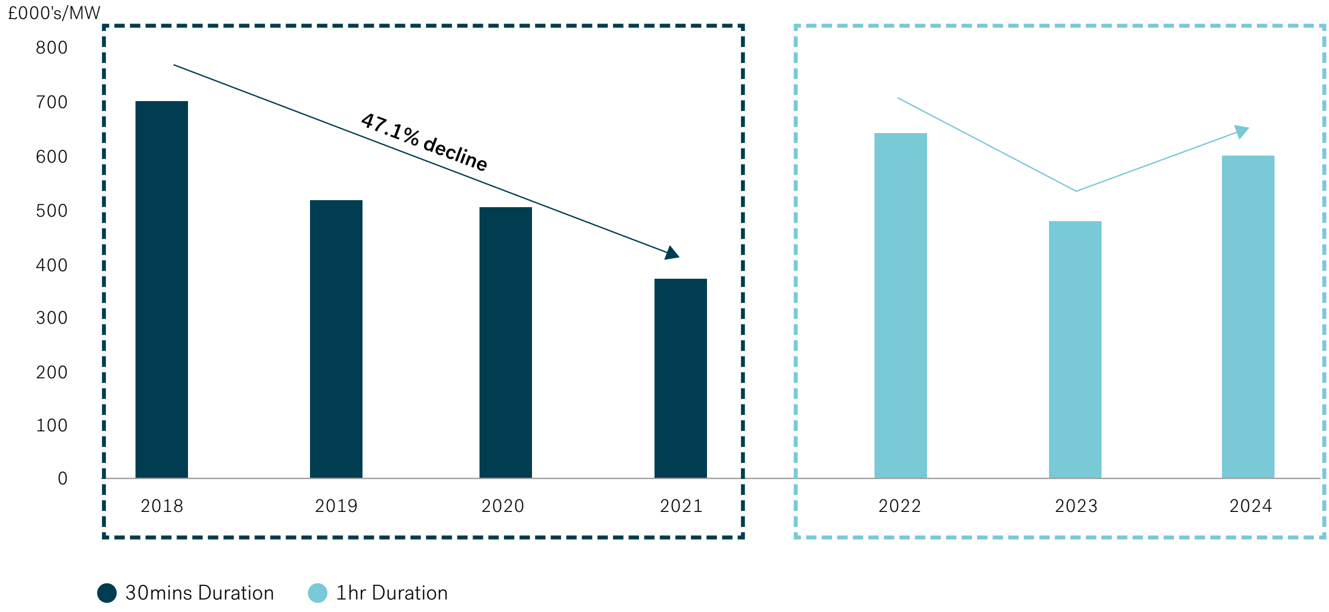
Portfolio Summary
Continued

Capex Optimisation

The Manager strongly believes in capital efficiency, and through financial discipline and leveraging the technical know-how of its in-house team and strives to achieve amongst the lowest Capex and/or Capex/MW in the industry.

The table below shows the declining trend in Capex expenditure across the Company's assets, per MW basis. Although Engineering and Procurement Contract ("EPC") prices have increased significantly in the fiscal year, the Manager leveraged the support of its strategic partners to ensure responsible and timely development of construction projects. The Operations Manager then closely monitored construction progress with the aim of minimising unnecessary expenditure.

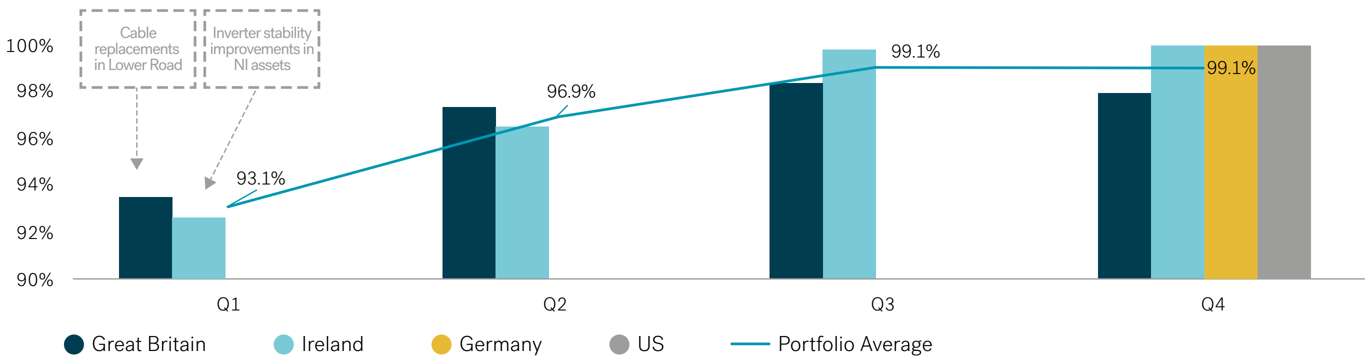
Figure 11: Total Capex of the Company's greenfield projects, expressed as £'000 per MW, for both 30min and 1h-duration systems. Capex figures include (not restricted to): Development Fee, Grid connection Capex, EPC capex



Portfolio Summary
Continued

Asset Performance

Figure 12: Assets Availability by region for the 2021/2022 fiscal year, including German revenues received for Q1 2022 upon acquisition in March 2022[81]



During the fiscal year, the Company's portfolio of assets achieved an average availability across all regions of 97 per cent [82]:

- **GB:** In April 2021, availability was affected by the performance of one of the Company's assets (Lower Road) which was taken offline for 13 days to allow for cable replacements. The site returned to full operational capacity in May 2021.
- **Ireland:** Asset availability in Ireland lowered periodically between April and July 2021. In April, one of the projects in NI underwent switchgear maintenance. In June, the assets were taken offline for three days to improve inverter stability and in July, the assets experienced inverter dropouts. Inverter stability has now been secured in both sites.
- **Germany:** The Cremzow asset was acquired in March 2022 with a commercial transfer date of Jan 1, 2022. The assets are assumed to have achieved availability of 100 per cent. across Q4 of the reporting year.
- **US:** The Texan assets were acquired after the reported period, with a commercial transfer date of 1 March 2022. The three operational assets are assumed to have achieved availability of 100 per cent. during the fourth quarter of the reporting period.

Health & Safety (HSE)

The Manager monitors and collaborates with best-in-class EPC contractors during the construction period. The EPC[83] contractor takes on the role of principal contractor and HSE manager until commercial operation. Following commercial operations, the Manager works with third-party asset managers and O&M service providers to ensure the Health and Safety of the Company's sites. GSF's service providers are chosen based on their performance records and are required to deliver services in accordance with good industry practice.

The Company aims to always operate in a manner that safeguards public health, property and the environment and is proud to note that it has had no health or safety incidents or community complaints in the fiscal year.

81 The Cremzow acquisition was completed on 3 March 2022 with commercial transfer effective as of 1 January 2022. The graph assumes 100 per cent availability between January and March 2022 for illustrative purposes only. The Texas acquisitions were completed post-reported period with commercial transfer effect as of 1 March 2022. The graph assumes 100% availability for the Texan assets in March.
82 Availability expressed as the percentage of hours without unexpected technical issues or maintenance preventing operation.
83 Third-party service provider for Engineering, Procurement and Construction (EPC).

Portfolio Summary
Continued

Revenue Stacking During the 2021/2022 Fiscal Year

The diverse ancillary and trading opportunities available to energy storage assets create opportunities for diversification of revenues with the goal of maximising the Company's return on capital. A breakdown of sources of revenue across the different regions is detailed below.

Table 8: Revenue breakdown for the Company's revenue breakdown

Fiscal Year	Revenue Stream	(£million)	% Within the Grid	% Of overall portfolio	Revenue / MW (£000's)	Revenue / MWh (£000's)	MW	MWh
	GB							
	Firm Frequency Response (FFR)	£4.83	29.4%		£44.0	£47.8	110.0	101.0
	Dynamic Containment (DC)	£9.78	59.6%		£89.1	£96.8	110.0	101.0
	Capacity Market (CM)	£0.97	5.9%		£8.8	£9.6	110.0	101.0
	Wholesale Trading	£0.65	3.9%		£5.8	£6.4	110.0	101.0
	Triad	£0.19	1.1%		£12.6[84]	£18.0	15.0	10.5
	GB - Total	£16.42		55.48%	£149.3	£162.6	110.0	101.0
	Ireland							
	DS3	£12.23	100.0%		£122.2	£287.0	100.0	42.6
	Ireland – Total	£12.23		41.35%	£122.2	£287.0	100.0	42.6
	Germany - 3 months							
	Frequency Containment Reserve (FCR)	£0.63	100.0%		£28.8	£22.6	22.0	28.0
	Germany – Total	£0.63		2.14%	£28.8	£22.6	22.0	28.0
	Operating Revenues	**£29.28**		**98.97%**				
Post year-end	**US – 1 month[85]**							
	Responsive Reserve Services (RRS)	£0.31	100.0%		£10.2	£5.1	29.9	59.7
	US – Total[86]	£0.31		1.03%	£10.2	£5.1	29.9	59.7
	Operating Revenues	**£29.59**		**100.0%**				

84 Triad revenue is only available to the Company's behind-the-meter sites, which are Boulby and Port of Tilbury, thus only these two sites are included in the /MW and /MWh calculations.

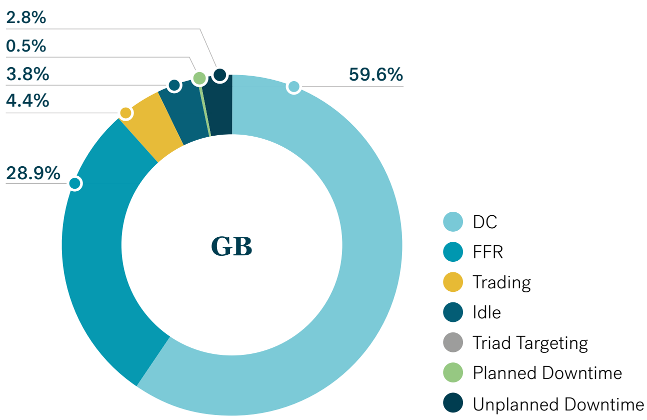
85 The US acquisitions in Texas were completed post reported period and had a locked box date as of 1 March 2022, which translates into all three operating Assets' profits directed to the Company from this locked box date. For the purpose of this illustration, the table includes revenue relating to 1 March to 31 March 2022.

86 Assuming average rate of exchange as of April 2022.

Portfolio Summary
Continued

Great Britain (Revenue Stack)

Figure 13: Overview of time allocated in the fiscal year for the Company's operational assets in GB[87]

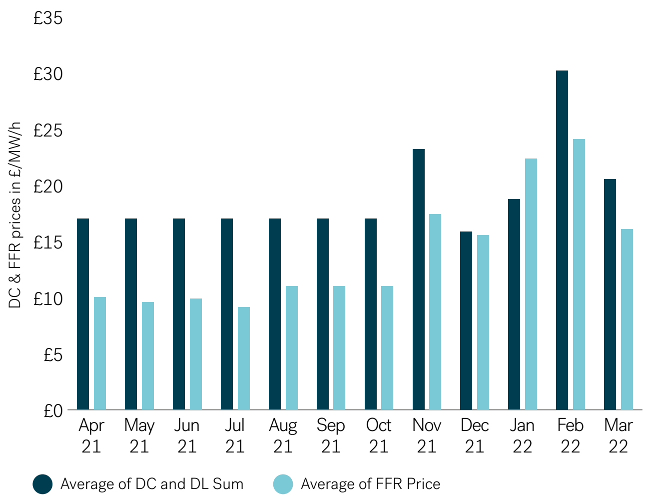


Operating GB assets showed strong performance for the period: the average revenue per MW for the fiscal year was more than 68 per cent. higher than the previous fiscal year's average.

89 per cent of GB asset delivery time was spent performing ancillary services (DC and FFR) which generated 90.1 per cent. of revenues for the Company's GB assets. The remaining time was spent in power trading, which generated 4 per cent. of revenues. The remaining 6 per cent. of revenues were generated from the Capacity Market ("CM") services which is a stackable service for which revenue is earned in parallel with delivery of other services to the power grid. All GB assets have capacity agreements with a duration of between one to fifteen years. Capacity contracts are designed to deliver power to the grid, at times of peak demand.

Ancillary service prices remained at high levels of £17.5/MW/hour during the fiscal year. Between 1 January and 31 March 2022, prices averaged £23.1/MW/hour, with February 2022 being the strongest month, when DC achieved c. £48.0/MW/hour. In April 2022, ancillary service prices reached a record-high of c. £104.0/MW/hour. Revenue per MWh in Q1 2022 calendar year was 65 per cent. higher when compared to Q1 2021 and 22 per cent. higher than 2021 quarterly average. The Investment Manager anticipates that this trend will continue into summer 2022 as National Grid procures increased volumes of DC (around 1.0-1.1GW of capacity).[88]

Figure 14: FFR and DC average price levels secured by GSF Portfolio companies since DC introduction[89]



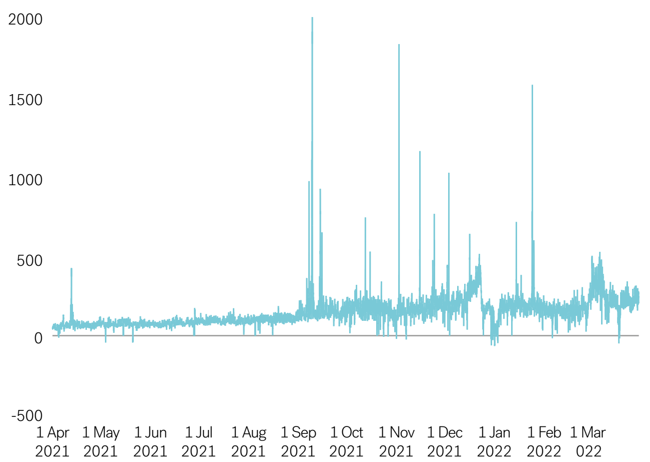
When appropriate, the Manager participates in wholesale trading to exploit spikes in power pricing as a result of market volatility. Although power trading can offer higher payments than ancillary services, there are also higher costs associated with faster degradation of the battery if it is used for arbitrage.

During the fiscal year, the National Grid changed its procurement method for DC from a 24-hour procurement period to four-hour EFA blocks, providing the assets with greater flexibility to participate in both grid balancing and wholesale trading services. Beginning in September 2021, volatility increased in GB's wholesale energy markets, improving the opportunity for energy trading. The opportunities for combined delivery of energy trading and frequency response service resulted in an additional 4.3 per cent. uplift over the forecasted ancillary services baseline.

87 Project availability and service allocation is presented as a percentage of total hours within the period. Note on Capacity Market: revenue is not including the percentage allocation of project delivery hours. Capacity Market revenue is stackable with all other revenue streams as the Company is paid to be available to deliver this service whilst delivering other revenue streams.
88 Past performance is not indicative of future performance.
89 From November 2021 onwards, National Grid has split DC between DC high and DC Low (DCH and DCL). For simplifications purposes, we refer to DC prices throughout the year, with DC prices being the average of the sum of DCH and DCL after November 2021. Figure indicates price levels contracted by GSF.

Portfolio Summary
Continued

Figure 15: Wholesale Market trading price in GB during FY 2021/2022 (£/MWh) (Aurora EOS platform, 2022)

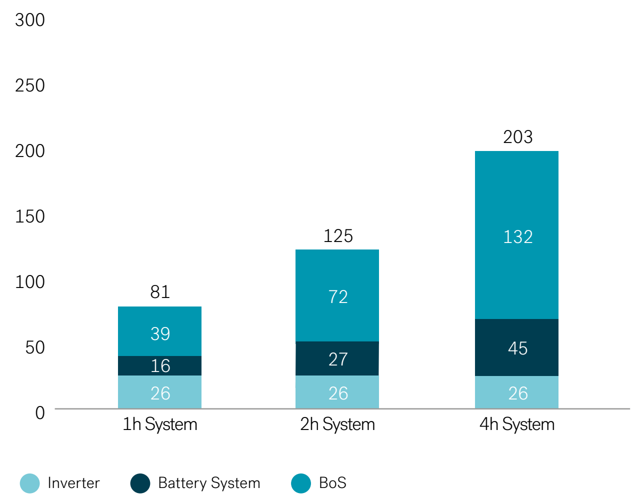


According to a third-party market researcher[90], some of the Company's assets attained the highest market revenues on a per MW and MWh basis at least twice during the fiscal year. The batteries in question were of 30 min and 1-hour duration with lower Capex when compared to longer duration. The Figure below showcases the increasing Capex for longer-duration batteries, as per market data.

Although the ideal duration (MWh/MW) for delivery of market services will vary by geographic region, ancillary services can appropriately be delivered using short-duration systems (such as 30-minute or one-hour systems). Whilst ancillary services remain the major source of revenue, there is little incentive to increase the average battery duration.

The Figure below showcases the increasing Capex for longer-duration batteries, as per market data.

Figure 16: Market data for Capex increase for 1h, 2h and 4h systems. Note: Balance of System (BoS), a structural component of batteries. Source: Aurora Energy Research Ltd, 2021



Battery duration is obtained by increasing the number of cells behind each MW of power capacity. The longer the duration, the more expensive the battery. The Capex margin between short and long duration battery systems is expected to increase in the near-term raw material prices (lithium as well as aluminium, graphite, and copper) increase.[91] Lithium alone has increased c. 400 per cent over the last year.

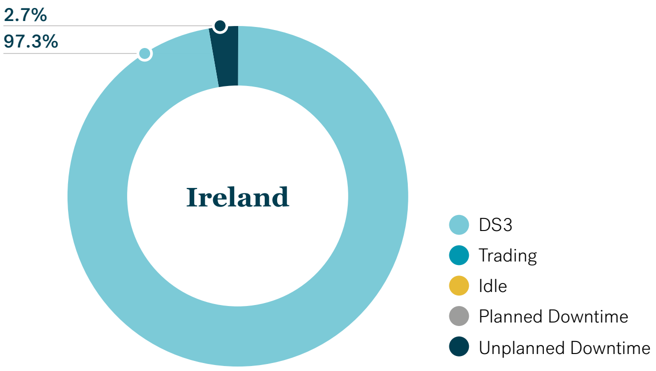
The Investment Manager believes that it is premature to invest in a 2-hour battery for the GB market given the current Capex. Moreover, as trading only offers a marginal uplift to ancillary services revenues (ignoring degradation concerns) it does not justify the greater Capex. When appropriate, the Company has the options of both retrofitting existing assets with additional MWh capacity and increasing its pipeline for larger duration batteries. A retrofit can be completed within 6-8 months and will be appropriate if Capex reduces to below £300k/MWh or if trading revenue strategies change to justify the increase in Capex.

90 Modo Leadership Board, 2021.
91 Aurora Energy Research Ltd, 2021.

Portfolio Summary
Continued

Ireland (Revenue stack)

Figure 17: Overview of time allocated in the fiscal year for the Company's operational assets in Ireland[92]



The Company's assets in NI and the ROI participate in the DS3 programme and the Integrated Single Energy Market ("I-SEM") providing revenue streams which are substantively similar to the GB markets. The Company's NI assets delivered DS3 services for c. 94 per cent of the time in the fiscal year.

The Investment Manager currently provides uncapped DS3 services in NI with an aggregate capacity of 100.0 MW. In NI, the Company uses sub-30-minute duration batteries to deliver six ancillary services under its DS3 uncapped contracts. Prices averaged c. £14/MW/hour during the fiscal year. In Q1 2022, NI revenues exceeded forecast, and in February achieved an average price of c. £31/MW/hour and c.£2m of the £4.9m net revenues generated in Q1 2022.

The uplifts against forecasted DS3 revenues were aided by improvements in asset performance and availability but are materially based on the structure of DS3 revenue contracts.

Under DS3, EirGrid and SONI impose trigger and trajectory scalars that determine when batteries should kick in, and how steeply they should ramp up their response. Under the System Non-Synchronous Penetration (SNSP) scalar, battery assets are rewarded for adequately forecasting their availability to provide frequency (and other ancillary services) and for actual delivery of services following a performance incident[93]. The rationale behind this scalar is to incentivise flexible assets, such as batteries, to be available when the electricity network is vulnerable to intermittency and the grid operators are under stress: The more reliable the generator, the greater the revenues. This creates a very lucrative scheme for batteries during months when renewable generation is high, as was the case during the recent winter of 2022, when wind penetration in the island was relatively high.

The DS3 scalar component in pricing also means that revenues will fluctuate based on wind penetration but will generally be lower in the summer months and higher in winter months. In February 2022, as a result of volatility due to high wind penetration, DS3 uncapped revenues were more than double the annualised average.

Uncapped DS3 contracts will continue to be awarded by EirGrid and SONI until 30 April 2024 although regulatory authorities have the option to extend contracts up to 2026.

The Group's assets in the ROI (Porterstown and Kilmannock) successfully won 60.0 MW out of the 110.0 MW awarded through a competitive tender for capped (fixed tariff) DS3 services in 2019.[94] The volume capped contracts are offered for a maximum of a six-year term, which begins in June 2022 for Porterstown (30.0 MW) and is expected to commence in Q4 2023 for Kilmannock (30.0 MW).[95] DS3 capped contracts pay a fixed tariff and are not subject to the SNSP scalar.

The DS3 framework also includes CM services, and the Company possesses CM contracts for both of its assets in NI for delivery years beginning 2022, 2024 and 2025 (and will seek 2023 contracts in upcoming auctions).

92 Project availability and service allocation is presented as a percentage of total hours within the period.
93 There are two types of electricity generation: synchronous generation and non-synchronous generation. Non-synchronous generation produces a different amount of electricity depending on the energy available. Most renewable forms of energy, such as wind and solar, are types of non-synchronous generation.
94 https://www.gsenergystoragefund.com/content/news/archive/2019/041019
95 Under the terms of the DS3 Capped Contract, in circumstances where the date of energization is delayed by the TSO, the contract term will be maintained, and contract commencement delayed until the date of energization by the TSO.

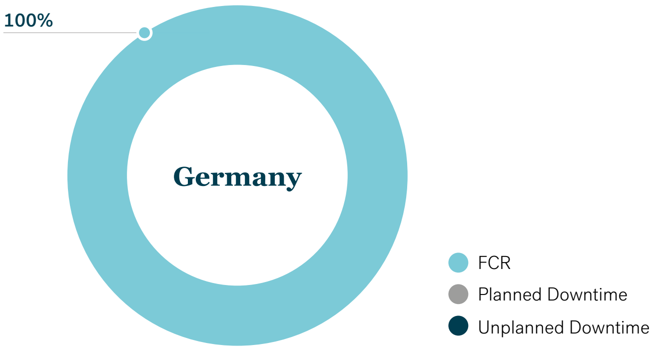
Portfolio Summary
Continued

New Markets

The Company's Cremzow asset in Germany further diversifies portfolio revenues. Frequency Containment Reserve (FCR), accounts for 100 per cent. of the services provided between 1 January to 31 March 2022 by the asset.[96]

The commercial transfer date for Cremzow was 1 January 2022. There has been an uplift in projected FCR prices from the acquisition base case, spurred on by increased volatility in the European energy market,[97] FFR prices have averaged €21.1/MW/hour across Q1 2022

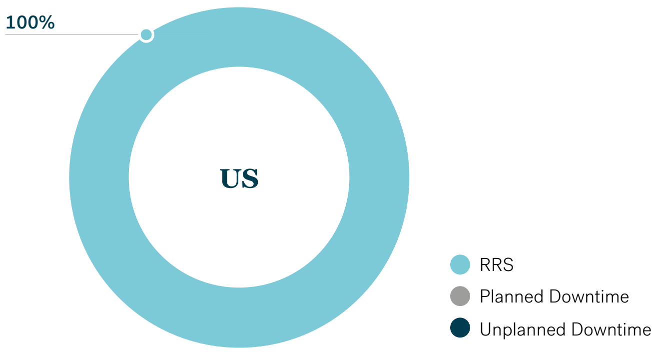
Figure 18: Overview of time allocated between 1 January to 31 March 2022 for the Company's operational asset in Germany[98]



The three operational assets acquired post-reporting period in the US were subject to commercial transfer date of March 2022, and profits accrued by the Company for the month of March 2022.[99] In March 2022, the three operational assets in Texas delivered Response Reserve Service (RRS), at an average market price of $18.7/MW/h in 2022, with peak market prices of $183.5/MW/h.

Since April 2022 (post period-end), average RRS prices have been 15 per cent. higher than the previous year, with peaks as high as $2,000/MW/h during periods of sustained high temperatures[100], as pricing closely follows Texas temperature patterns, with high temperatures leading to high grid demand.

Figure 19: Overview of time allocated in the month of March 2022 for the Company's operational assets in the US, Texas[101]



Cash generation for the Fund

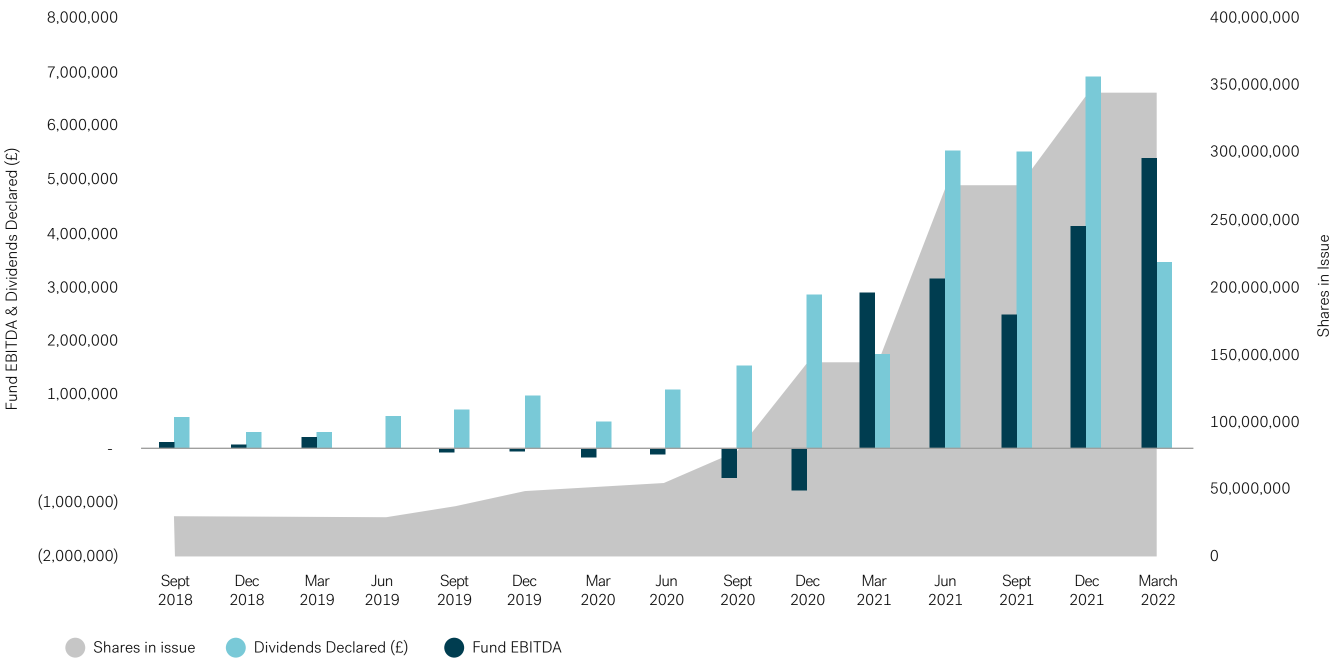
During the period from 31 March 2021 to 31 March 2022, the operational portfolio generated an EBITDA of c. £23 million. Inclusive of fund expenses, the Company generated c. £16 million in EBITDA.

For the period between 31 March 2021 to 31 March 2022, dividends were fully covered by the EBITDA of the operational portfolio. Dividend coverage[102] for the period between 31 March 2021 to 31 March 2022 was 1.09x for the operational portfolio and 0.7x for the Company during the reporting period.

96 Operational site closed in March 22 with a locked box date on 1 January 2022.
97 Past performance is not indicative of future results.
98 Project availability and service allocation is presented as a percentage of total hours within the period. Note on Capacity Market: revenue is not including the percentage allocation of project delivery hours. Capacity Market revenue is stackable with all other revenue streams as the Company is paid to be available to deliver this service whilst delivering other revenue streams.
99 US, Texas acquisitions were completed post-reported period and had a locked box date as of 1 March 2022, which translates into all three operating Assets' profits directed to the Company from locked box date.
100 Data is for the period of 1st April 2022 to 12th July 2022.
101 Project availability and service allocation is presented as a percentage of total hours within the period. Note on Capacity Market: revenue is not including the percentage allocation of project delivery hours. Capacity Market revenue is stackable with all other revenue streams as the Company is paid to be available to deliver this service whilst delivering other revenue streams.
102 Dividend coverage means the number of times the Company could pay dividends to its common shareholders using its net income over the fiscal year. The Company's dividend coverage from the EBITDA of its operational portfolio exceeds the coverage achieved based on Company-level EBITDA because it excludes fund-level expenses.

Portfolio Summary
Continued

Figure 20: Historical dividend coverage and shares in issue by the Company.



Profitability Drivers

Lower Capex and Opex

The Manager aims to maintain financial discipline in its procurement, construction, and ongoing management of the Company's energy storage portfolio.

Return on Capital

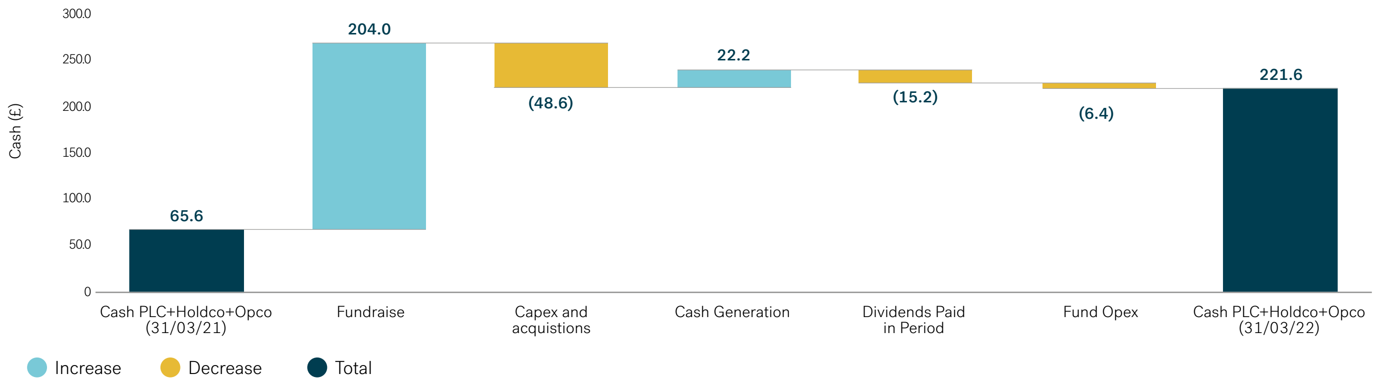
The Company's revenue strategy revolves around ancillary services better suited to shorter duration batteries, as the asset is required to correct small, but frequent, deviations in the grid's frequency. Given lucrative opportunities in ancillary services in GB and Ireland, the Investment Manager has optimised the Company's capital allocation by sizing the assets in GSF's energy storage portfolio to the targeted revenue strategy. This has resulted in some of the Company's GB assets periodically achieving the highest revenue per MWh and MW, as reported by Modo Energy[103] and achieving similar returns in Ireland.

103 https://www.linkedin.com/posts/modo-energy_november-leaderboard-roundtable-activity-6874279809028038656-5p4h/

Portfolio Summary
Continued

Commitments / deployments

Figure 21: Cash bridge since the end of the 2020/2021 financial year, reflecting the Capex spent during the period. until March-end 2022

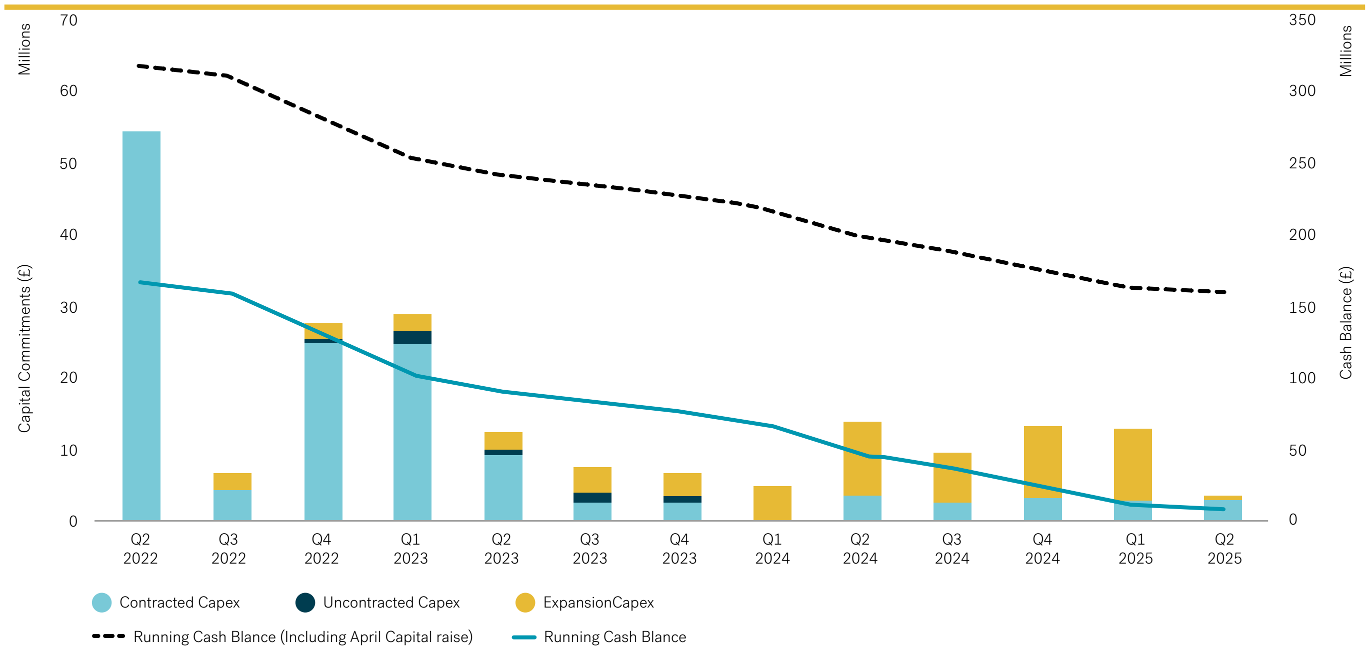


The above figure illustrates the movement of cash over the fiscal year, including the two successful fundraises totalling £204 million (net of fees) in April and December 2021. The Company spent £49 million in Capex and acquisitions of its portfolio and paid a further £15 million in dividends. The 'Fund Opex' is £6.4 million for the period. This implied a cash generation of £20 million by portfolio companies over the period.

The figure below shows the budgeted investment Capex for the existing portfolio projects, broken down by quarter for the next three years. The 'contracted Capex' comprises any pre-determined, contractual Capex, such as signed EPC contracts, deferred development fee payments and grid payments. The 'uncontracted Capex' refers to anticipated Capex that the Company does not yet have any contractual obligation to spend, such as EPC contracts under negotiation or tender. The 'expansion Capex' and 'duration Capex' reflect the expected expenditure for the second phases of the assets in the ROI (PBSL and KBSL), and expenditure for an increase in duration to 1-hour systems for the sites currently operating below a 1-hour duration. The running cash balance shows decreasing cash on the balance sheet, as the Company incurs its expected Capex over the next three years.

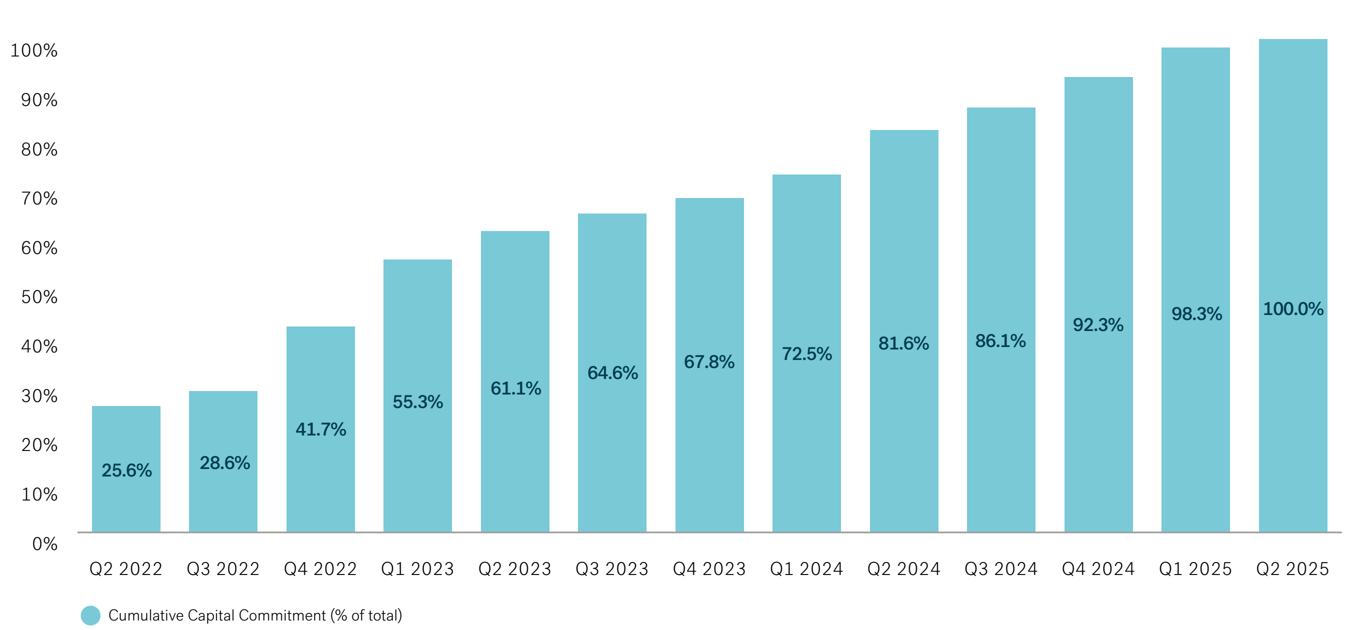
Portfolio Summary Continued

Figure 22: Planned Capital Deployments and net cash position running cash balance (including April Capital raise) for the Company over the next 3 years[104]



The figure below illustrates the expected timing for the use of the Company's cash on the balance sheet (cumulative) in percentage terms, on a quarterly basis.

Figure 23: Capital commitments or future capital deployments, as % of total committed capital until 2025[105]



104 Note on timeline: This timeline is based on events occurred after 31 March 2022 and includes estimates to the best of the Investment Manager's knowledge.
105 Note on timeline: This timeline is based on events occurred after 31 March 2022 and includes estimates to the best of the Investment Manager's knowledge.

Portfolio Summary
Continued

Pipeline

To diversify revenues and market exposure, the Investment Manager's current pipeline focuses heavily on international markets, particularly mainland Western Europe and the United States. These markets generally rely on similar grid balancing, capacity market and trading services that characterise the GB and Irish markets. Nonetheless, revenues are not necessarily correlated given different regulatory frameworks, barriers to entry, levels of renewable penetration and weather conditions.

In addition to opportunities in the UK, the Republic of Ireland, the United States and Western Europe, the Investment Team may invest in projects in Australia, Japan, and South Korea, in accordance with the Company's investment policy. The Company does not intend that the aggregate value of investments outside the UK and the Republic of Ireland will be more than 60 per cent. of Gross Asset Value (calculated at the time of investment).

The Investment Manager will leverage on its experience to secure new assets in accordance with the Company's Investment Policy, so that the Company does not assume early-stage development risks associated with obtaining land, planning permission and grid connection rights.

As of the date of publication, the Investment Manager is actively reviewing opportunities in GB, Ireland, Western Europe, and the United States. The total pipeline stands at 1.57 GW or 3.24 GWh with transactions in exclusivity amounting to a total of 495 MW or 980 MWh as of the date of publication.

Table 9: Pipeline as of the date of publication.

Project	Location	Total project size MW	Total project size MWh
Project A	GB	200.0	400.0
Project B	GB	99.8	199.6
Project C	EUR	43.5	43.5
Project D	US	200.0	400.0
Project E	US	50.0	100.0
Project F	US	95.0	180.0
Project G	US	19.0	76.0
Project H	US	200.0	400.0
Project J	US	200.0	400.0
Project K	US	200.0	400.0
Project L	US	200.0	400.0
Project M	US	60.0	240.0
Total		**1,567.3**	**3,239.1**

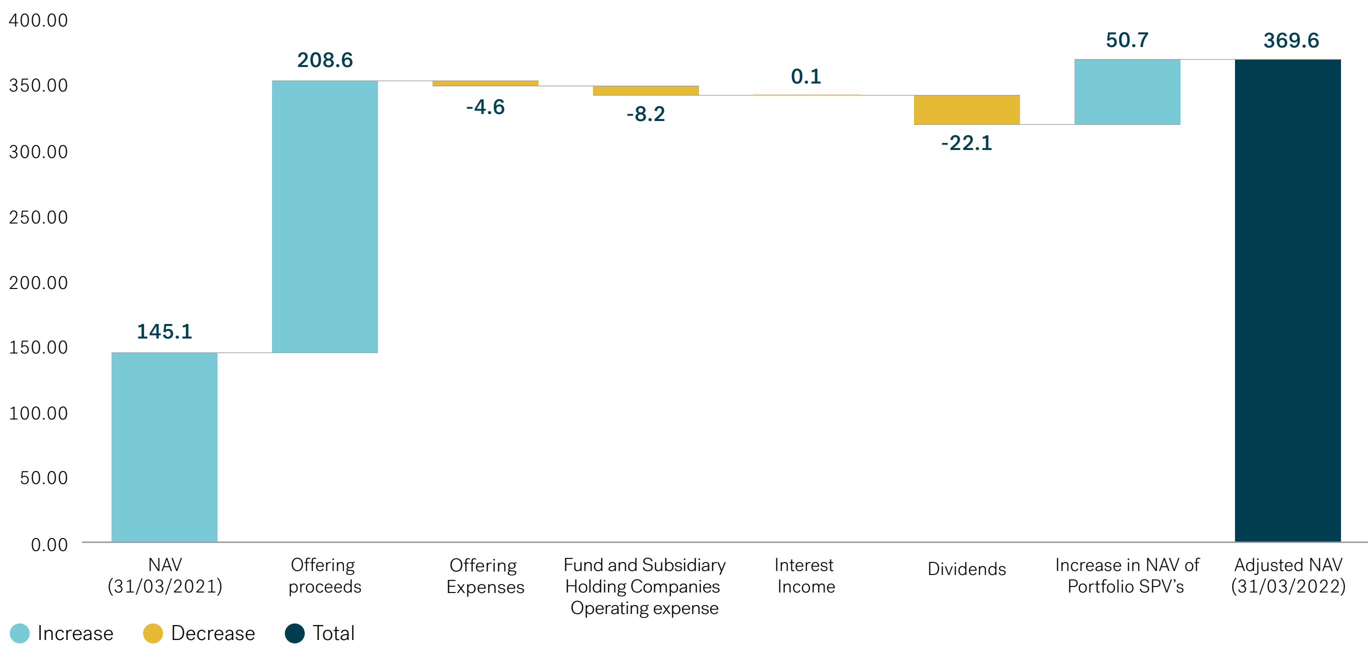
Valuation of the Portfolio

1. Net Asset Value

The NAV for the Company in March-end 2022 amounted to £376.5 million and with an NAV per share of 109.1 pence. In March-end 2022, the Adjusted NAV for the Company amounted to £369.6 million, with an Adjusted NAV per share for the Company of 107.1 pence. Adjusted NAV is calculated as the NAV per the Statement of Financial Position adjusted for the interim dividend relating to the December 2021 quarter of £6.9 million or 2.0 pence per share, which was declared in March 2022 but paid post period end on 1 April 2022.

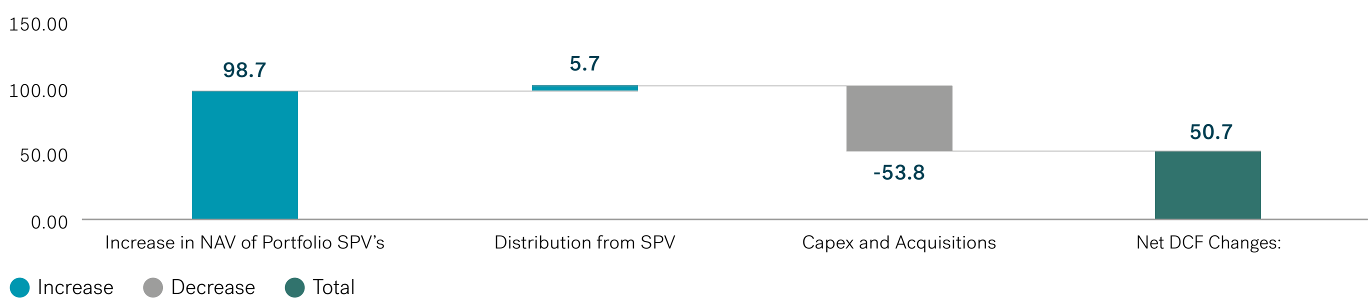
The Adjusted NAV of March 2022 represents 6.1 per cent. increase on the NAV per share achieved in March-end 2021 of 100.9 pence, inclusive of costs. This metric provides consistency and a more meaningful comparison against the NAV on 31 March 2021, which already included the 2.0 pence per share dividend relating to the December 2020 quarter, which was paid in March 2021, before period-end.

Figure 24: Net Asset Value (NAV) bridge for the fiscal year in £ m



The Net DCF changes have been broken out in the below graph:

Figure 25: Net DCF changes bridge for the fiscal year £(m)



Valuation of the Portfolio Continued

Table 10: Portfolio NAV

Total NAV	(£m)
NAV per geography	
Great Britain	89.4
Ireland	74.7
Germany	12.6
Total NAV	**176.7**
NAV per MW	**0.37**

As shown above, the portfolio NAV is diversified across GB, Ireland, and German markets, as of 31 March 2022. Furthermore, with the recent acquisitions in Texas, US, the Investment Manager expects the Fund to successfully mitigate the risk associated with concentrated exposure to a particular grid and achieve diversification of revenue streams over the course of 2022 and 2023.

2. Key NAV Drivers

The Investment Manager reflected general NAV drivers such as inflation, across the portfolio, as well as making asset/jurisdiction-specific NAV updates. The major updates were as follows:

Inflation

All macroeconomic assumptions were independently determined by respective research companies. The Investment Manager updated the long-term CPI assumption from 2.5 per cent. to 3.0 per cent. across the portfolio, given the current macro-outlook.

Grid Specific Drivers - Great Britain:

Revenues

In GB, updated price forecasts have been applied to all GB asset valuations for ancillary services, trading, Capacity Market revenue, and other revenue sources (such as voltage revenue and TNUoS benefit). The price forecasts for ancillary services and trading are illustrated in the blended curve shown below.

Blended Curve of Ancillary Service and Trading

(£/MW/h)	Dec-22	Dec-23	Dec-24	Dec-25	Dec-30	Dec-35	Dec-40
GB (Real in 2021)	13.8	10.5	8.8	8.0	7.1	7.3	7.7

Assets which received T-4 Capacity Market contracts (Ferrymuir, Stony and Enderby) and T-1 contracts (Ancala, Larport, Lascar, Hulley and Port of Tilbury) in the 2022 Capacity Market auction have been updated and reflected.[106]

106 T-1 auction occur a year ahead of the delivery year, T-4 auctions occur four years ahead of the delivery year.

Valuation of the Portfolio
Continued

Expenses

- Higher assumptions on insurance have been applied across the portfolio to reflect the increased premiums being seen in the market.
- Capex: Battery cell cost forecasts have also been updated, capturing the higher global prices seen currently in the market. Final EPC contracts that were secured in the fiscal year, for two of the Company's assets, Ferrymuir and Stony, have also been reflected.

Grid Specific Drivers - Ireland:

Revenue

In NI, updated price forecasts have also been applied to asset valuations for Uncapped DS3, Trading and Capacity Market revenue. The forecast prices for NI up until 2025 are driven by uncapped DS3 services. The average of the central forecasts from multiple third-party research houses are shown below:

Blended Revenue stack including DS3 and trading

(€/MW/h)	Dec-22	Dec-23	Dec-24	Dec-25	Dec-30	Dec-35
North Ireland (Real in 2020)	11.6	13.1	13.9	9.8	4.6	4.3
Republic of Ireland (Real in 2020)	5.7	5.0	4.4	4.0	4.6	3.9

The two NI assets were awarded Capacity Market contracts in 2019 for delivery commencing in October 2022.

Expenses

- Higher assumptions on insurance have been applied across the portfolio to reflect the increase in premiums being seen in the market.
- Capex: Battery cell cost forecasts have also been updated, which capture the higher global prices currently seen in the current market.

Grid Specific Drivers - Germany:

The Company's asset in Germany, Cremzow, was acquired on 10th March 2022. GSF is the majority stakeholder in the asset (which operates as a partnership structure), owning 90 per cent. stake. The valuation of the asset saw the following key updates since the time of its acquisition:

Revenue

Since the time of acquisition, the Investment Manager has updated the revenue forecasts for delivery of FCR using central revenue scenarios.

Expenses

Higher assumptions on insurance have been applied to the Cremzow asset to reflect the increase in premiums seen in the market.

3. Key Sensitivities

The NAV sensitivities are shown in the table above and cover the major macro-economic factors and valuation assumptions that the portfolio is subject to. Increased Inflation, a lower discount rate along with a stronger Euro will lead to an increase in the value of the portfolio. Changes in EPC prices will have a material impact on the NAV of the portfolio particularly in Great Britain, given a number of assets in the pre-construction and construction stage, which has been depicted in the table above.

1. Inflation rate: +/- 1.0%
2. FX volatility: +/- 3.0%
3. Discount Rate: +/- 1.0%
4. EPC Capex: +/- 10.0%

Valuation of the Portfolio Continued

Table 11: NAV Sensitivity Chart

Region	NAV in Base Case (With DCF)	NAV Sensitivity Chart							
		Inflation +1.0%	Inflation -1.0%	FX +3.0% (£ stronger)	FX -3.0% (£ weaker)	Discount Rate +1.0%	Discount Rate -1.0%	EPC Capex +10.0%	EPC Capex -10.0%
Northern Ireland	£57.1m	£61.2m	£53.5m	£56.2m	£58.0m	£53.9m	£60.8m	n/a	n/a
Republic of Ireland	£17.7m	£19.8m	£15.4m	£17.4m	£18.1m	£14.5m	£21.5m	£17.3m	£18.2m
Great Britain	£89.4m	£105.3m	£75.4m	n/a	n/a	£77.0m	£103.7m	£84.20m	£94.4m
Germany	£12.6m	£13.4m	£11.9	£12.3m	£12.9m	£11.9m	£13.4m	n/a	n/a

NAV scenarios

The NAV scenarios demonstrate the change in the value of the portfolio when considering alternate scenarios, such as utilising High/Low revenue forecasts or applying different discount rates for projects in construction. We have taken forecasts from multiple independent research houses in order to derive a blended revenue curve for both High and Low Cases. The below table also shows the potential increase in value of the portfolio construction/pre-construction assets when a lower operational discount rate is applied. This scenario illustrates the stage that the assets will progress to as they transition from the construction stage to the operational stage, in line with the valuation matrix.

In addition, the valuation achieved from the capacity expansions of the assets in the ROI has been considered, as they will be accretive to NAV once included. This has not been currently modelled in our base case, although will represent an increase in value to investors in future periods.

1. Revenue Scenarios: NAV based on third-party high & low cases; these scenarios exhibit a deviation of c. 15 to 25 per cent. from the central case
2. Discount rate: Applying an operational discount rate of 7.5 per cent. to sites in construction.
3. ROI Expansion projects: NAV if including the 90.0 MW and 60.0 MW expansions of KBSL & PBSL, respectively.
4. Based on third-party market analysis, the market average duration is 63 minutes, which exceeds the Company's portfolio duration average of 50 minutes[107]

Key Scenarios

Table 12: NAV Scenarios

Region	NAV in Base Case (With DCF)	NAV Scenarios Chart			
		Revenue (High case)	Revenue (Low case)	Discount Rate (Operational rate applied to construction assets)	ROI Expansion (NAV of 150.0 MW ROI capacity expansions)
Northern Ireland	£57.1m	£67.1m	£47.1m	n/a	n/a
Republic of Ireland	£17.7m	£22.1m	£12.8m	£23.5m	£35.3m
Great Britain	£89.4m	£136.0m	£61.0m	£110.8m	n/a
Germany	£12.6m	£16.3m	£8.1m	n/a	n/a

107 Source: Modo, 2021.

Valuation of the Portfolio
Continued

4. 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 a sample which meets our NAV materiality threshold is reviewed by an independent third party, before the publication of the half year and year-end reports.

All the assets in the Company's portfolio are valued using the Discounted Cash Flow (DCF) approach that adheres to the principles of IFRS13 and the International Valuation Standards Council ("IVSC guidelines").

Asset Life

The valuation assumes the assets have a useful life of up to 30 years, with the Investment Manager assuming no residual value (despite possessing active grid connections) at the end of life of the assets.

Movements in Valuation Discount Rates

The Investment Manager primarily applied a discount rate between 7.5 per cent. and 10 per cent. except for contracted revenues within GB and Ireland, which are discounted at 6 per cent. to each asset in the Company's portfolio, given that large portions of the revenue were procured in response to near real-time demands of the energy system. The 6.0 per cent discount rate is only applied to cash flow from contracted revenues which an asset has actually secured for the relevant contract period, reflecting the lower risk associated with the contract. The weighted average discount rate is 8.31 per cent.

The standard discount rates matrix used by the Investment Manager are set out below:

Table 13: Discount Rate Matrix

Discount rate Matrix	Pre-Construction Phase	Pre-Construction Phase (Post EPC)	Construction Phase *	Operational Phase**
Contracted income[108]	10.0%	9.5%	6.5%-9.5%	6.0%-7.0%
Uncontracted income[109]	10.0%	9.5%	7.5%-9.5%	7.0%-8.5%
MW	180.0	136.9	80.0	231.7

* 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 counterparty

Revenue

For contracted revenue, the Investment Manager used the prices of the contracts actually secured by the assets to project future revenue cashflows. Regarding uncontracted revenue, the Investment Manager estimates uncontracted revenue based on the unit price forecasts of independent third-party research house(s) and the advice of independent third-party consultants.

To ensure objective and unbiased calculation of the Fund's Net Asset Value, the Investment Manager has obtained high, central, and low cases from multiple research companies and used the average of their central scenarios for the purpose of the NAV calculation. These uncontracted revenues were not influenced by the Investment Manager's view; no macro-economic assumptions other than site specific ones.

Operating Expenses

Where not already contracted and priced, operating expenditure (i.e. equipment maintenance and lease costs) is based on the 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 forecasts.

108 Construction discount rates vary based on programme status and lead time.
109 Uncontracted revenue rates vary in accordance with market maturity. Contracted revenue rates vary by counterparty

Valuation of the Portfolio
Continued

Capital Expenses

The Investment Manager uses third-party curves for determining the benchmark EPC prices and also tracks market changes within the commodities market for determining pricing for its projects. In addition, there is an assumption of (i) replacement of Inverters based on estimated Capex halfway into the life of projects; (ii) augmentation of the assets based on markets where assets operate; and (iii) degradation profile over time.

Fiscal Net Asset Value

Table 14: Fiscal Net Asset Value

	Pence
NAV at 31 March 2021	100.9
Less 31 March 2021 declared dividend	1.0
NAV at 31 March 2021 (ex-dividend)	99.9
NAV at 31 March 2022	109.1
Less 31 December 2021 declared dividend	2.0
Adjusted NAV at 31 March 2022	107.1
Less 31 March 2022 declared dividend	1.0
NAV at 31 March 2022 (ex-dividend)	106.1
Movements in NAV (ex-dividend)	6.2
NAV Increase%	6.2

5. Share Price performance

Gore Street Energy Storage Fund has consistently traded at a premium to NAV over the last fiscal year. Share price as at 31 March 2022 was 113 pence per share,[110] representing a 5.5 per cent per cent premium to Adjusted NAV. The chart below shows the share price over the year, compared to Adjusted NAV per share.

The Fund was also included in FTSE All-shares during the 2021/2022 fiscal period.

The Adjusted NAV per share as at 31 March 2022 was 107.1 pence. The chart below shows the historical Net Asset Value per share.

110 Share price at March 2022: post publication of Share issuance programme circular, released on 29 March 2022.

Valuation of the Portfolio Continued

Figure 26: Historical NAV per share and Closing Share Price for the Company

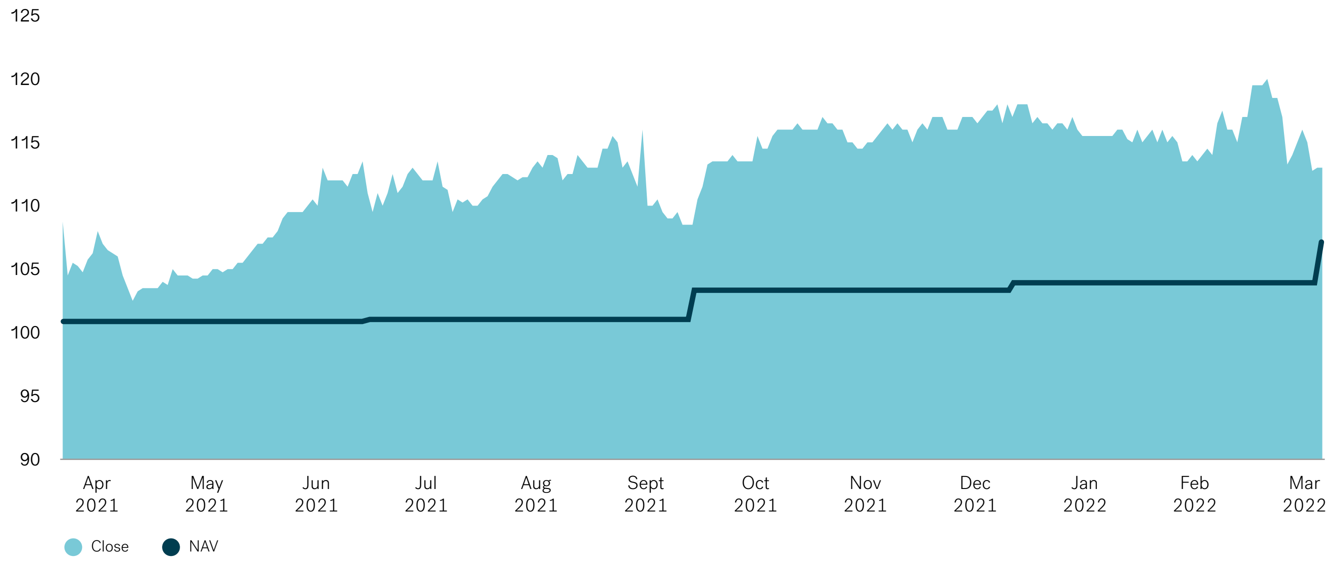
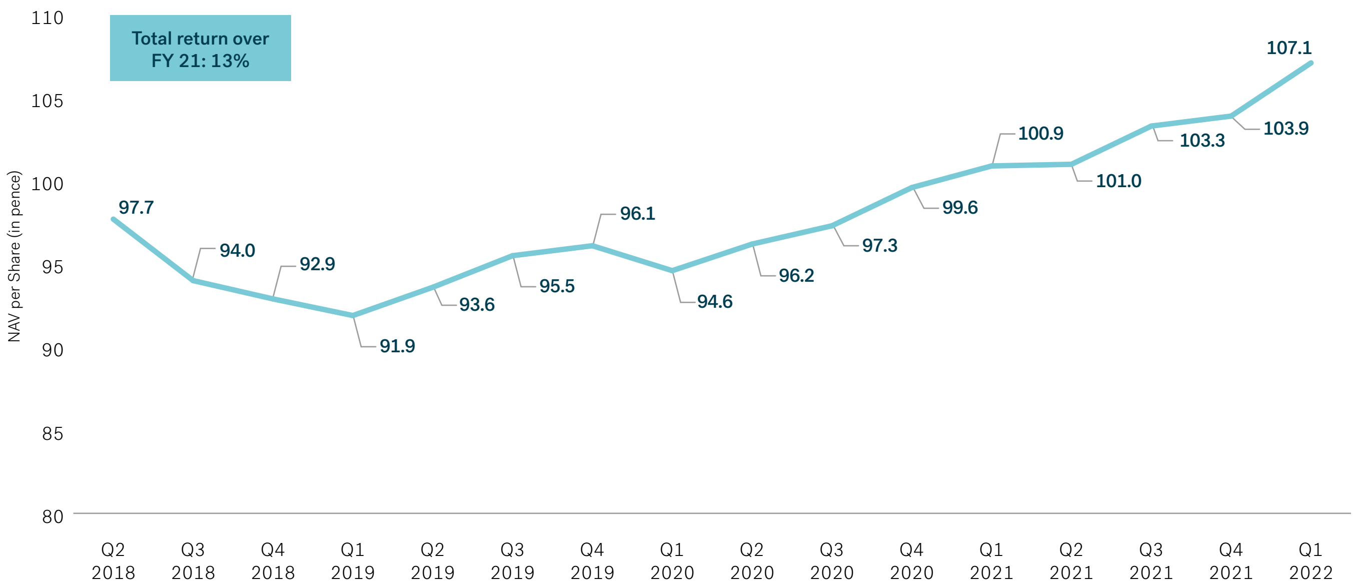


Figure 27: Historical Net Asset Value per share[111]



111 For the 31 March 2022, it was assumed the Adjusted NAV

Valuation of the Portfolio
Continued

6. Dividends

The Company declared a total dividend of 7.0 pence per share relating to the fiscal year, with the final instalment of 1.0 pence to be paid post the date of publication[112].

7. Gearing

As at 31 March 2022, the Company acts as guarantor under a £15 million facility agreement held by the Company's subsidiary, GSES 1 Limited. The facility shall be used to fund the acquisition and/or development of assets. There has been no significant drawdown as of the date of publication.

112 A total of 7.0 pence in dividends were declared for the financial year: 4.0 pence in dividends were paid in the financial year and 2.0 pence in dividends have been paid as the date of publication. The remaining 1.0 pence shall be paid in August 2022.publication of Share issuance programme circular, released on 29 March 2022.

Sustainability

The Company's purpose is to deliver long-term capital growth to its investors by the development of a geographically diverse portfolio of utility-scale battery storage systems that are a critical component in accelerating the transition to greener national grids. Whilst GSF's core products and services are designed to support the environmental sustainability of global grid systems, the Board of Directors and its Investment Manager understand that the Company has a broader responsibility to go beyond its environmental contributions and to evaluate how best to imbed and improve the environmental, social and governance frameworks of its investments and operations.

The Company has chosen to align with Article 8 of the Sustainable Finance Disclosure Regulation (SFDR), and this is the first year that the Company has tracked the metrics that are outlined in this regulation. These metrics will be disclosed on the Company's website, as part of its 'ESG Pillars Report', in August 2022. The Company has engaged the services of third-party experts to ensure adequate oversight of its assessment regarding its alignment with TCFD requirements. Neither regulatory framework is mandatory for the Company currently. Nevertheless, the Board and Investment Manager believe that the early monitoring of its sustainability against third-party frameworks is an important step in improving accountability and in providing shareholders with transparency on its progress in integrating ESG considerations into its business framework.

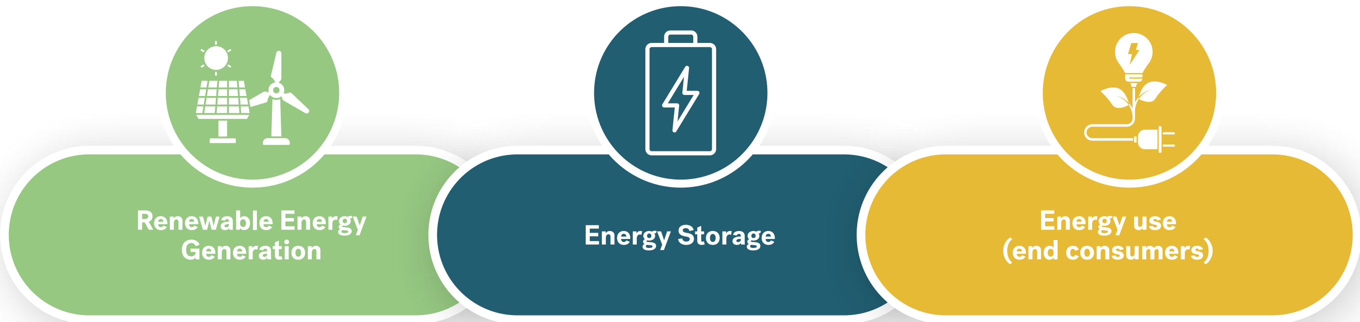
The first edition of the Company's ESG Pillars Report, which will be available on the Company's website in August 2022, will detail the environmental, social and governance impact of the Company's actions, including its assessment under the SFDR and the United Nations Sustainability Development Goals (SDGs) frameworks.

Environmental Sustainability

The Company contributes to the path to net zero by investing, building, and operating battery storage systems that enable national power grids to rely on more heavily intermittent sources of renewable power. Energy storage technologies also "make low carbon electricity systems more cost-effective".[113]

The political drive for a greener grid stems from "unambiguous risks of climate change".[114] In addition, social and political support for a greener energy policy has increased since the fiscal year as a result of COVID-19, rising natural gas prices and geopolitical instability in Europe. For instance, Germany has increased its targets for electricity consumption from renewables from 80 per cent by 2030, to 100 per cent. by 2035.[115] These targets will see Germany alone install 22 GW of solar and 10 GW of onshore wind per year. The UK will look to similarly decarbonise its power systems by the same date [116].

Energy consumption is also increasing. Between 2015 and 2019, global energy consumption grew by 6.6 per cent.[117] In order to accommodate a greater share of renewables in energy systems and support increased energy consumption, it will be necessary to invest in a portfolio of technological solutions, including energy storage, smart grids, as well as demand-side management, enabling the transition to a greener power grid.[118]



113 IPCC_AR6_WGIII_FinalDraft_FullReport.pdf pg 995

114 IPCC_AR6_WGIII_FinalDraft_FullReport.pdf pg 80

115 Panorama - Germany raises the bar on renewable energy with new set of laws for 100 per cent renewable power - Renewable Energy Magazine, at the heart of clean energy journalism

116 Department for Business, Energy & Industrial Strategy and The Rt Hon Kwasi Kwarteng MP, 2021. 'Plans unveiled to decarbonise UK power system by 2035'. Available at: https://www.gov.uk/government/news/plans-unveiled-to-decarbonise-uk-power-system-by-2035

117 IPCC_AR6_WGIII_FinalDraft_FullReport.pdf pg 116

118 IPCC_AR6_WGIII_FinalDraft_FullReport.pdf pg. 37

Sustainability
Continued

Case Study:
GSF delivers frequency response services that enable higher renewable penetration into energy systems

The ultimate goal of grid system operators is to keep the lights on. National transmission networks require electricity generators to spin at fifty rotations per second (50Hz) for the power systems to run smoothly; too much supply and the grid electricity frequency will rise, potentially short-circuiting. On the other hand, too much demand will lower frequency and equally cause system failure.

Energy storage is part of the infrastructure used by the Irish grid to maintain system frequency in ROI and NI. System balancing is increasingly challenging in Ireland because it is one of the world's leaders in developing an environmentally sustainable grid: EirGrid had increased the cap on the amount of variable renewable generation on the grid at a given time to 75 per cent. following a successful trial.[119] Without balancing infrastructure, the EirGrid and SONI network operators must resort to brown and blackouts to maintain their system within normal operating limits of 49.9Hz to 50.1Hz.

The Company's energy storage systems in NI were activated to prevent system imbalance on Monday, 22 November 2021 after the grid system measured a drop below the trigger threshold of 49.8Hz.

On 22 November 2021, two conventional generators within the Irish grid tripped offline in quick succession, prompting two drops in frequency. By inversing the frequency graph and scaling correctly, Drumkee was able to respond to the changes in grid system electricity and output up to 50 MW of power until the grid system returned to its normal operating thresholds.

Without the intervention of Drumkee and other balancing systems, the Irish grid may well have had to resort to a brown or black out to remain balanced.

Drumkee and Mullavilly can increase their combined grid power output by up to 100MW in less than half a second and, as the Irish grid moves towards net zero, it will increasingly rely on the support of these and other battery storage technologies for system balancing. In anticipation of increased demand, the Company will increase its battery system capacity in Ireland by 30 MW as of the date of publication and has an additional 180MW of generation under development in Ireland.

Figure 28: Immediate response at Drumkee project in the first 15 seconds following detection of the frequency event.

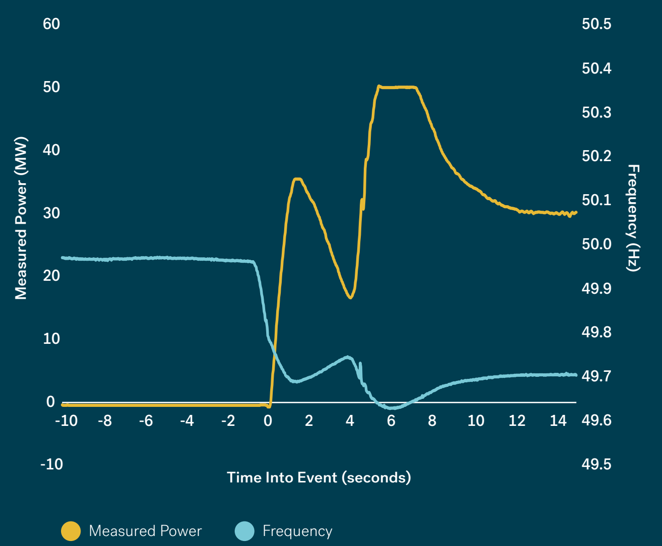
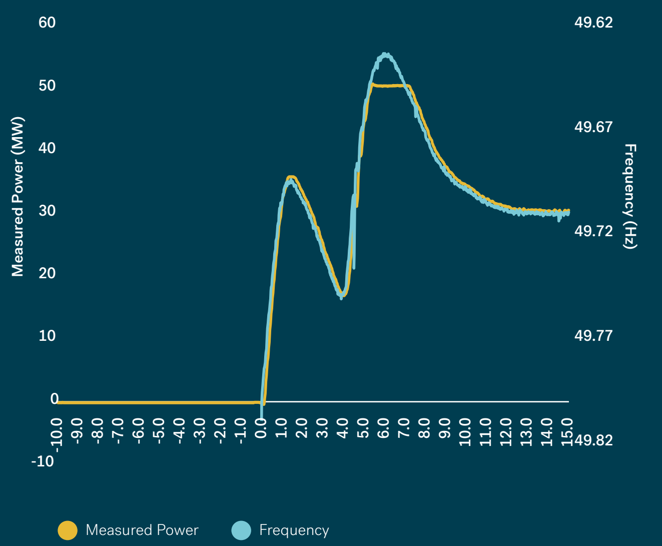


Figure 29: Measured power's (nearly exact) tracking of frequency.



119 https://www.eirgridgroup.com/newsroom/electricity-grid-to-run-o/#:~:text=07%20April%202022,project%20by%20grid%20operator%20EirGrid.

Sustainability
Continued

Sustainability in Governance

The Company has invested heavily in the fiscal year to document its environmental sustainability and to identify areas for improvement in its social sustainability and governance processes. The Company is committed to disclosing any shortfalls in its environmental, social and governance metrices to investors. It will rigorously evaluate its ESG performance, and when deemed appropriate, shall integrate necessary changes to its investment, operations, and leadership frameworks in an orderly and responsible manner.

A delegated team of engineers, compliance, reporting and legal professionals at the Investment Manager (through its subsidiary, the Operating Manager) have worked closely with third-party advisors during the fiscal year to begin data collection and operational assessments as required to commence SFDR reporting.

Over the next two years, the Investment Manager will continue its ESG performance assessment process to incorporate other applicable regulatory frameworks and initiatives, including as regulated by the Financial Conducts Authority. Simultaneously with this assessment, the Investment Manager will recommend to the Board that it evaluate and integrate improvements into every aspect of the business as appropriate to meet the Company's stated environmental, social and governance goals.

Sustainability Regulations and Awards

Sustainable Finance Disclosure Regulation (SFDR)

The Company, a sole-play investor in battery energy storage systems, confirms that it constitutes a "financial product" that "promotes environmental or social characteristics" under the SFDR.[120]

During the fiscal year, the Company engaged reputable third-party environmental consultants to assess and track the Company's environmental and social performance against 14 main metrics under Article 8 SFDR and six additional environmental and social impact indicators, which are relevant to the Company's business processes. In order to provide transparency, the Company has engaged the services of a third-party organisation with expertise in ESG and renewable energy, to track and monitor the metrics under SFDR. The first ESG Pillars Report detailing this assessment will be available on the Company's website in August 2022.

TCFD Disclosures

The Company has engaged the services of third-party experts to ensure adequate oversight of its assessment of its alignment with TCFD requirements.

The Company aims to complete a formal climate risk assessment and make necessary disclosures in accordance with TCDF requirements by the end of 2022 calendar year.

Global Impact Investing Network

The Company is a member of the Global Impact Investing Network (GIIN) and is aligned with GIIN's mission of reducing barriers to impact investment and supporting the allocation of capital to fund solutions to the world's most intractable challenges

United Nations Sustainability Development Goals (SDGs)

The 2022 ESG Pillars Report (which will be available on the Company's website in August) will also include the Company's ESG assessment against the UN's Sustainability Development Goals (SDGs).

United Nations Principles for Responsible Investing (UN PRI)

The Company is a signatory of the UN PRI. The UN PRI requires the Company to participate in the next mandatory submission period, which will be in 2024.

The Investment Manager is currently reviewing what steps need to be taken in order for the Company to have greater alignment with the UN PRI.[121]

Green Economy Mark

The Company's role in energy storage has been recognised by the Exchange Green Economy Mark, awarded by the London Stock Exchange's Green Economy Mark. The award recognises companies that derive 50 per cent or more of their revenues from environmental solutions.

120 Per Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector. Please see the Company's website for further information.

121 https://www.unpri.org/about-us/what-are-the-principles-for-responsible-investment

Sustainability
Continued

Equality, Diversity, and Inclusion at GSF

The Company is an Investment Trust and has no employees nor any senior management.

The Listing Rule 9.8.6R(10) requires the Company to specify Board diversity as broken down by gender identity or sex, and ethnic background. The Board is currently composed of four individuals (one female and three males) who identify themselves as 'White British or other White (including minority-white groups)'. It is the Company's intent to both grow the Board and to plan for the succession of its members beginning in the 2023 fiscal year. The Company supports the global investor community's efforts to improve diversity in senior management and Board leadership. GSF is working with reputable third-party advisors to evaluate the Board's composition in a manner consistent with such efforts.

The Listing Rule 9.8.6R(10) requires the Company to specify Board diversity as broken down by gender identity or sex, and ethnic background.

Table 15: Table for reporting on gender identity or sex.

	Number of board members	Percentage of the board*	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number of executive management	Percentage of executive management
Men	3	75%	1	n/a	n/a
Women	1	25%	0	n/a	n/a
Other categories	0	0	0	n/a	n/a
Not specified/ prefer not to say	0	0	0	n/a	n/a

* Note: the investment trust does not have any executive management

Table 16: Table for reporting on ethnic background.

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number of executive management	Percentage of executive management
White British or other White (including minority-white groups)	4	100%	100%	n/a	n/a
Mixed/ Multiple Ethnic Groups	0	0%	0%	n/a	n/a
Asian/ Asian British	0	0%	0%	n/a	n/a
Black/ African/ Caribbean/ Black British	0	0%	0%	n/a	n/a
Other ethnic group, including Arab	0	0%	0%	n/a	n/a
Not specified/ prefer not to say	0	0%	0%	n/a	n/a

Principal Risks and Uncertainties

COVID 19 and Geopolitical Factors

The impacts of Covid-19, Brexit, and the Russo-Ukrainian war continue to evolve at a rapid pace. The Board and Investment Manager are continuously assessing how these social, economic, and geo-political events impact the Group's principal risks.

Impact of Supply Chain Disruptions on EPC Strategy and Costs

The changes in cross-border trade between Britain and the EU on the one hand, and the government ordered shutdowns and lockdowns in response to COVID-19, including in China, on the other hand, continue to disrupt global supply chains. Manufacturing and shipping delays may materially increase key equipment costs. There is a risk that supply chain disruption will materially increase the cost of construction delay bringing new projects online, negatively impact the Group's overall financial returns.

Whilst the cost and supply of materials continues to fluctuate, the Investment Manager has, to a substantial degree, mitigated the impact of such fluctuations through its existing EPC framework arrangements. These arrangements, implemented prior to the onset of supply chain disruptions, have allowed the Group to benefit in the short term from fixed pricing for key equipment, limit adjustments where pricing is variable and have also ensured that the Group has timely and preferred access to equipment notwithstanding market shortages. Nonetheless, there remains a risk that further or persistent supply chain disruptions will materially increase the average cost of construction and negatively impact the Group's construction operations in the short term and its longer-term returns.

Impact on Operations

COVID-19 related illnesses and lockdowns may also restrict the ability of engineers to access sites, negatively impacting the Company's ability to meet deadlines for commencement of services or implement its asset maintenance programs.

To date, the Company's construction activities constitute key infrastructure activities that have not been subject to lockdown restrictions and none of its EPC providers have suffered material delays in construction as a result of the COVID pandemic. The Company continues to work closely with its suppliers and service providers to seek to adjust project timelines to anticipate and allow for delays and illnesses resulting from COVID. Nonetheless, there remains a risk that severe or persistent staff shortages will negatively impact the Group's construction activities in the short term.

The Investment Manager operates a hybrid work environment to allow staff the maximum amount of flexibility to manage COVID-19related disruptions. Nonetheless, there remains a risk of short term or persistent disruption to business activities as a result of COVID-19 related illnesses.

The GSF Risk Control Framework

The Company's Board has general oversight and responsibility for maintaining and reviewing the effectiveness of the Company's risk management activities and does so on a quarterly basis. In addition, risks are managed by the AIFM through its Risk Committee and Internal Controls. The Risk Committee meets on a monthly basis to review risks and controls, including those relating to information security, regulatory compliance, and business continuity. Their findings are shared with the Board on a quarterly basis.

THE BOARD OF DIRECTORS

The Company's Board is responsible for maintaining and reviewing the effectiveness of the Company's risk management activities, from a strategic, financial, and operational perspective. The Board aims to ensure that risks are accurately identified and managed but does not seek to eliminate such risks. Additional risks and uncertainties not currently known to the Board of Directors, or that the Directors deem immaterial, may also have an adverse effect on the performance of the Company.

THE RISK COMMITTEE.

The AIFM's Risk Committee regularly monitors the principal risks and uncertainties identified, along with the strategies developed and the actions proposed to mitigate them. The risk identification, assessment and reporting process are supported by the Investment Manager's Executive Team, who continually review the effectiveness of the AIFM's risk management systems and its internal controls.

INTERNAL CONTROLS

Each member of the Investment Manager's Executive Team is responsible for the management of the specific risks within their own business unit. The Executive Team assesses current risks, reviews, and monitors the controls that mitigate those risks; and identifies potential new risks to the Board and Risk Committee. They are also responsible for reviewing, monitoring, and agreeing to the approach for mitigating specific risks faced by the Company.

INTERNAL AND EXTERNAL AUDITORS

The Investment Manager's internal auditors review and assess the Company's risk management and internal controls process and report their findings and recommendations to the board of directors of the Investment Manager and the Company, respectively.

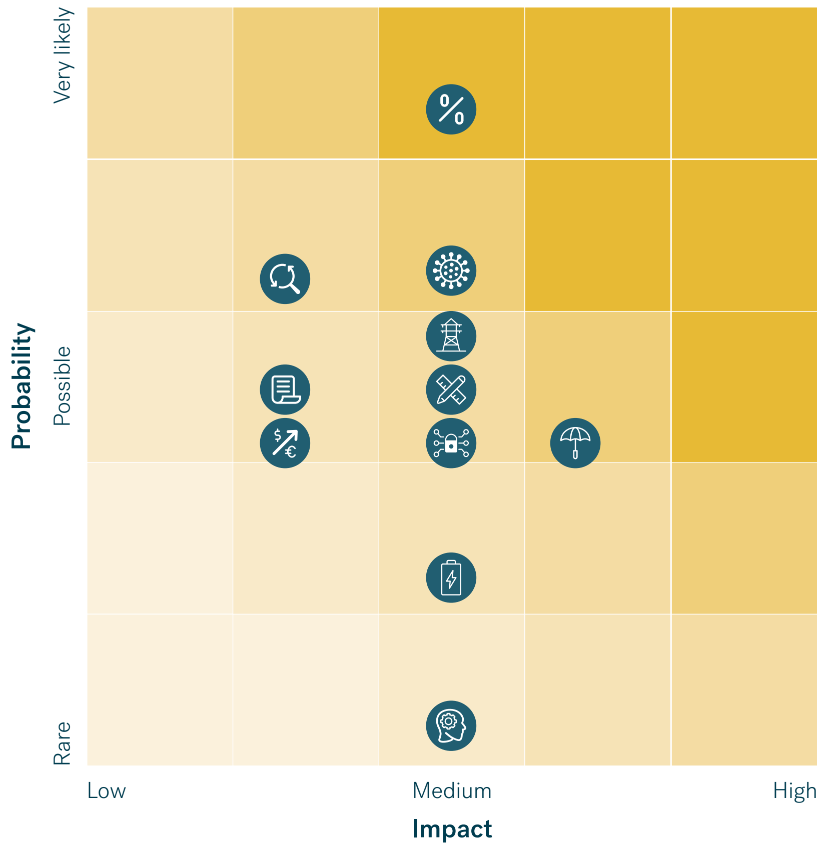
Principal Risks and Uncertainties
Continued

Our Risk Profile

Our risk assessment program assesses the potential impact of key financial, reputational, and operational risks against the probability of their occurrence.

Identification & Assessment of Risks

Risk
COVID 19
Changes to Market Design
Inflation
Exposure to Lithium-Ion Batteries and Battery Manufacturers
Key Skills Retention
Dependence on Long-Term Operations and Maintenance (O&M) Contracts
Valuation of Unquoted Assets
Delays in Grid Energisation or Commissioning
Currency Exposure
Cyber-Attack and Loss of Data
Insurability of Assets



Principal Risks and Uncertainties
Continued

Key Risks and Uncertainties

Key risks highlighted by the Board of Directors as impacting the Company in the year ending March 2022 and highlighted below:

Risk	Description	Mitigant
Changes to Market Design	The Company's assets generate revenue by delivering balancing services to power grid operators in the United Kingdom, Ireland, Germany, and United States. There is a risk in any of those markets that unanticipated changes to the design of power system services or any change in the specifications and requirements for service delivery (including network charges or changes to market rules) could negatively impact revenues or constrain revenue projections for assets within the region in which a change occurs and thereby reduce the net asset value of the affected assets.	• The Company owns and operates a diverse portfolio of assets across Great Britain, Ireland, Germany and (post year-end) the ERCOT market within the United States. • In addition, the Investment Manager aims to stack revenue contracts in order to vary the types of income streams received from each system operator and within each market. In these two ways, the Company minimises its reliance on any single market or any specific market service and mitigates against changes in any single market product.
Inflation	• The Company's profit projections are based in part on its budget for capital and operating expenditure incurred in the construction, operation, and maintenance of its portfolio of battery storage assets. These include the cost of battery cells, inverters, the cost of power required to charge the batteries and the labour costs for operations. There is a risk that unanticipated inflation will increase capital expenditure and operating costs materially beyond budget with the consequence of reducing profitability below the investment forecast and/or rendering projects less economic or uneconomic. • There is also a risk that continued or severe inflation could positively and/or negatively change the grid power market design (see Changes to Market Design above). • The Company has little exposure to debt financing but has access to debt facilities.[122] There is a risk that increases in the inflationary index rates could render the interest rates applicable to these debt facilities less economic or uneconomic.	The Company ensures that it generates revenues in the markets in which it incurs operating costs from a diverse mix of short, medium and long-term contracts that are subject to fixed or floating contract prices. As revenues are pegged to operating expenditure, the Company shall aim to neutralise inflationary increases (e.g. cost of power to charge the batteries) by rebalancing its revenue services (e.g. changing the timing or bases for charging batteries to either reduce costs or increase revenues) as appropriate to maintain its investment forecast. The Company has sufficient access to equity capital and shall only utilise debt to the extent considered accretive to shareholders.
Exposure to Lithium-Ion Batteries and Battery Manufacturers	Gore Street's portfolio currently consists only of lithium-ion batteries. The Group's battery energy storage systems are designed by a variety of EPC providers but the underlying lithium-ion batteries are manufactured primarily by BYD, CATL and LG Chem. While the Company considers lithium-ion battery technology to be the most efficient and most competitive form of storage in today's market, there is a risk that other technologies may enter the market with the ability to provide similar or more efficient services to power markets at comparable or lower costs, reducing the portfolio's market share of revenues in the medium or long term.	The Company remains technology agnostic and continues to evaluate other economically viable energy storage opportunities in order to minimise its exposure to lithium-ion and further diversify its portfolio mix. The Company is not under an exclusivity agreement with any individual battery manufacturer and will manage its supply framework agreements in a manner that allows it to take advantage of any improvements or amendments to new storage technologies as they become commercially viable.

122 The Company has circa £2m in debt drawn on a £15m facility.

Principal Risks and Uncertainties Continued

Risk	Description	Mitigant
Key Skills Retention	The Company is an investment trust operated under the supervision of a non-executive board of directors; it has no employees and relies exclusively on third parties to manage and operate its assets and deliver information to shareholders. In particular, the Investment Manager is responsible for the development of the Company's acquisition pipeline and (through its subsidiary) has operational oversight of the Company's procurement, construction, asset management, and revenue generation functions. The Investment Manager engages and supervises leading industry suppliers and service providers for operational performance including for engineering, procurement, construction, asset management and maintenance of battery energy storage assets. In addition, the Investment Manager supports the Company's Administrator to ensure adequate management of the Company's accounting functions. There is a risk that the early termination of the AIFM and Operational Management Agreements would result in a loss of key expertise required for the strategic, financial and operational management of the Company	The AIFM Agreement between the Company and the Investment Manager provides for a twelve-month notice period before termination by either party in order to afford the Company sufficient time to arrange for alternative services.
Dependence on Long Term Operations and Maintenance (O&M) Contracts	Each battery energy storage system 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 Group asset is nonetheless dependent on scheduled maintenance and timely repair of batteries by these service providers in order to ensure the health and safety of the communities and systems concerned and to ensure the durability of the battery system for its anticipated life span. There is a risk that the asset and O&M providers selected to maintain and manage the battery systems fail to adequately deliver services, which could lead to loss of revenue, health, and safety risks and/or untimely degradation or destruction of the battery systems.	The Investment Management routinely seeks to incorporate warranties and liquidated damage clauses into the O&M service contracts to ensure that service providers are adequately incentivised to maintain systems in the manner contracted for. Although these service contracts are long-term, there are subject to early termination for breach of service terms.
Investment in Unquoted Assets	The Company invests predominantly in unquoted assets whose value involves the exercise of judgement by the Investment Manager. There is a risk that the Investment Manager may fail to fulfil its investment objectives in making these investments or may fail to appropriately implement its investment strategy in selecting assets for investment or may fail to comply with the Company's investment policy in implementing its investment strategy.	The Investment Manager is regulated by the FCA and managed by professionals who have knowledge and expertise working in a regulated environment. The Investment Manager works under the supervision of an Investment Committee composed of investment professionals with decades of experience in clean energy investing. The Investment Committee reviews each of the Investment Manager's recommendations to ensure that they comply with the Company's investment policy and are in line with the Investment Manager's investment strategy.
Valuation of Unquoted Assets	The Company invests predominantly in unquoted assets whose fair value involves the exercise of judgement by the Investment Manager. There is a risk that the Investment Manager's valuation of the portfolio may be deemed by other third parties to have been overstated or understated.	The Investment Manager routinely works with market experts to assess the reasonableness of key data utilised in the asset valuation process (such as energy price forecasts) and to reassess its valuations on a quarterly basis. In addition, in order to ensure the object reasonableness of the Company's NAV materiality threshold and the discount rates applied, substantive components of the portfolio valuation, (based on a NAV materiality threshold) are reviewed by an independent third party, prior to publication of the half-year and year-end reports.

Principal Risks and Uncertainties
Continued

Risk	Description	Mitigant
Delays in Grid Energisation or Commissioning	The Company relies on EPC contractors for energy storage system construction, and on the relevant transmission systems and distribution systems' owners (TSO) for timely energisation and connection of that battery storage asset to the transmission and distribution networks appropriately. There is a risk that either the EPC contractor or relevant TSO could delay the target commercialisation date of an asset under construction and negatively impact projected revenues.	• The Company works closely with EPC contractors to ensure timely performance of services and imposes liquidated damage payments under the EPC contracts for certain delays in delivery. • The Company seeks commitments from TSOs to a target energisation date as a condition to project acquisition and provides maximum visibility on project development to TSOs in order to encourage collaboration towards that target energisation date.
Currency Exposure	The Company is the principal lender of funds to Group assets (via intercompany loan arrangements) for their investments in projects, including projects outside of the UK. This means that the Company may indirectly invest in projects generating revenue and expenditure denominated in a currency other than Sterling, including in US Dollars and Euros. There is a risk that the value of such projects and the revenues projected to be received from them will be diminished as a result of fluctuations in currency exchange rates. The diminishing in value could impact a subsidiary's ability to pay back the Company under the intercompany loan arrangements.	The Company acts as guarantor under currency hedge arrangements entered into by impacted subsidiaries to mitigate its exposure to the Euro under EirGrid and SONI contracts. The Company will also guarantee future hedging arrangements as appropriate to seek to manage its exposure to foreign currency risks. As of publication date, it is completing similar hedging arrangements to mitigate its Euro and Dollar exposure in light of recent acquisitions in Germany and Texas, US.
Cyber-Attack and Loss of Data	The Company is exposed (through the server, software, and communications systems of its primary service providers and suppliers) to the risk of cyber-attacks that may result in the loss of data, violation of privacy and resulting reputational damage.	Among other measures, the Company ensures its contractors and service providers incorporate firewalls and virtual private networks for any equipment capable of remote access or control. Cybersecurity measures are incorporated for both external and internal ('local') access to equipment, preventing exposure to ransomware attacks or unsolicited access for any purpose. The Company engages experts to assess the adequacy of its cybersecurity measures and has implemented a requirement for annual testing to confirm and certify such adequacy for representative samples for the entire fleet.
Insurability of Assets	The Company protects the value of its asset from property damage, theft, vandalism, fire damage and other physical risks through property insurance. Property insurance is assessed and renewed on an annual basis. Battery storage is in its nascent stage from an insurance perspective and there is a risk that this class of assets will be deemed uninsurable or may become too expensive to insure.	The Company is taking adequate procedures to protect its assets from theft and vandalism through upgrades to its security equipment and improvements in its remote monitoring. The Company will continue to monitor and upgrade its surveillance systems as appropriate to prevent theft or vandalism. The Company continues to evaluate its fire prevention and control measures to ensure the suitability of each system's design to sufficiently mitigate the risk of fire and manage the consequences of such an event. The mitigation solution is design risk assessed and tailored to the environments in which the assets are based, taking into consideration (among others) the layout of the battery system, its location (rural or urban), technology type and water access. The Investment Manager is actively engaged in dialogue with third-party insurers, fire safety professionals and other industry experts to reaffirm the adequacy of its processes and to discuss operational safety in general in the battery storage context.

Emerging Risks

To ensure that the Company maintains a holistic view of risk management, the AIFM and the Board will continue to monitor the relevant emerging risks and assess their potential to adversely impact operations on a quarterly basis. The risks identified this year are: (i) regulatory and legal changes impacting strategy (including as may ensue from compliance with TCFD's climate-related reporting and metrics), (ii) other impacts of climate risks on technologies and markets, (iii) potential changes to national and cross-border energy policy; (iv) interest rate risks (not yet relevant as the Company currently has no floating rate debt facilities), and (v) changes to future investor accreditation resulting from Brexit.

Governance

Directors' Report

The Directors present their report together with the audited financial statements for the period from 1 April 2021 to 31 March 2022. The Corporate Governance Statement on pages 71-98 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, successfully acquired three new facilities, including its first investment in Germany and two additional investments in GB, of which all facilities are majority owned by the Company. Post year-end, the Company has completed its first acquisition in North America, in Texas, US. The registered address of GSES 1 Limited is The Scalpel, 18th Floor, 52 Lime Street, London, EC3M 7AF. The Chair's statement and Investment Manager's report expands on the business activity and acquisitions in the period.

Results and Dividends

The financial statements of the Company for the period appear from pages 99-104. Total Comprehensive income for the year 31 March 2022 was £42,527,570 (31 March 2021 £14,594,694). The Directors recommend a fourth interim dividend of 1.0 pence per share be paid, bringing the total dividend in respect of the period ended 31 March 2022 to 7 pence per share (7 pence per share 31 March 2021).

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.

On 22 March 2022, the Company announced that, for the quarter to 31 March 2022, and for subsequent financial years, the Company will target dividends in respect of the Ordinary Shares in each financial year based on a 7 per cent. yield on the average Net Asset Value per Ordinary Share during that financial year, subject to a minimum target of 7 pence per Ordinary Share in each financial year. The annual target dividend will increase by 0.5 pence increments per Ordinary Share based on a certain progression of the average Net Asset Value per Ordinary Share in any financial year above 100 pence (subject to rounding). For illustrative purposes only: if the average Net Asset Value per Ordinary Share during a financial year is 107 pence per Ordinary Share or greater (but less than 114 pence) the target dividend for that financial year will be 7.5 pence per Ordinary Share; if the average Net Asset Value per Ordinary Share during a financial year is 114 pence per Ordinary Share or greater (but less than 121 pence) the target dividend for that financial year will be 8.0 pence per Ordinary Share; and if the average Net Asset Value per Ordinary Share during a financial year is 121 pence per Ordinary Share or greater (but less than 128 pence) the target dividend for that financial year will be 8.5 pence per Ordinary Share.

Dividends are paid quarterly, and the Company will target a dividend of 2.0 pence per Ordinary Share for the first three interim dividends in each financial year and the amount of the final dividend will depend on the overall annual dividend target for that financial year. If any C Shares are issued, holders of C Shares will be entitled to participate in any dividends which the Directors may resolve to pay to holders of C Shares out of the assets attributable to the C Shares. The target dividends set out above shall not apply to any C Shares prior to their conversion into Ordinary Shares. Investors should note that the payment of dividends is at the discretion of the Board and the Directors may resolve to pay dividends otherwise than in accordance with the targets noted above in order to reflect the Company's expected returns and future plans for the growth of the Company.

The targeted annual dividend to 31 March 2022 has been met.

Share Capital

As at 31 March 2022, 345,035,842 Ordinary Shares were in issue (31 March 2021: 276,224,622) and no other classes of shares were in issue at the respective 2021 and 2022 year end.

Directors' Report
Continued

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. The Board takes comfort that it has outsourced and received assurance from those service providers regarding their internal controls and risk management processes. 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 57-61. Further detail on how the board ensure effective internal controls is provided on page 57.

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 of 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 acting independently of the Investment Manager.

Insurance

The Company maintains £10 million 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 2022 the following shareholders have a disclosable interest of 3 per cent or more in the Ordinary Shares of the Company:

Shareholder	Number of Ordinary Shares	Percentage of issued share capital
Rathbones	51,165,522	14.83%
Hargreaves Lansdown Nominees Limited	22,048,703	6.39%
EFG Harris Allday	18,975,028	5.50%
Interactive Investor Services Nominee Limited	16,528,086	4.79%
Charles Stanley	12,682,956	3.68%
Momentum Global Investment Management	12,389,177	3.59%
National Treasury Management Agency	11,730,910	3.40%
AJ Bell	11,677,367	3.38%
First Avenue Capital	11,658,249	3.38%
Redmayne Bentley	10,972,508	3.18%
Privium Fund Management	10,947,263	3.17%

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 Directors' 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 employee 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 Financial Conduct Authority ("FCA") Listing Rules that require certain individuals to have approval to deal in the Company's shares: and,
- The Company's Articles of Association that allow the Board to decline to register a transfer of shares, or otherwise impose restriction on shares.

Directors' Report
Continued

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.

Directors' Share Dealings

The Directors have adopted a code of Directors' 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 Directors, or persons closely associated with them, are in compliance with the Market Abuse Regulation.

Articles of Association

These are available on the Company's website at https://www.gsenergystoragefund.com/ or by application to the Company Secretary. Any amendment to the Company's Articles of Association (the "Articles") may only be made by passing a 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, any direction given by the Shareholders by special resolution 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, 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, pages 30 and 61
- Engagement with suppliers, customers, and others with business relationships with the Company, pages 68-69
- Corporate Governance statement, pages 71-98
- Manager and service providers, pages 75-76
- Directors' names and biographies, pages 78-79
- Directors' interest in shares, page 88
- Financial instruments, pages 138-139
- Share capital reserves, pages 121-122
- Transactions with related parties, pages 123-124
- Post balance sheet events, page 125

Other Disclosures

Disclosures of financial risk management objectives and policies and exposure to financial risks are included in 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 28-44. 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.

Directors' Report
Continued

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 2023. A resolution to re-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, government regulation and political instability and financial risks such as counterparty risk, credit risk, concentration risk as discussed in the financial statements.

The Company also continues to monitor and assess emerging risks which may potentially impact operations, including the impact of climate change. The Company will also undertake a formal climate risk assessment, which will facilitate the Company's resilience in a world where climate change is altering the environment.

Going Concern

Since the year end, there have been reduced restrictions on travel and lockdown, but the full human and economic impact of the COVID-19 pandemic still remains difficult to assess.

The Company's ability to generate revenue from its operational assets continues and remains largely unaffected by the pandemic. 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 completed going-concern analysis assumes continued annual expenditure at the rate of current expenditure and continued discretionary dividend payments to Shareholders at the target annual rate of 7% of NAV, subject to a minimum target of 7 pence per Ordinary Share in each financial year. With expenditure and discretionary dividends assumed unchanged, the Company will continue to be operational and will have excess cash after payment of its liabilities over the period to 31 July 2023, being at least 12 months from the date of approval of the financial statements.

The Company also continues to monitor and assess emerging risks which may potentially impact operations, including the impact of climate change. The Company will also undertake a formal climate risk assessment, which will facilitate the Company's resilience in a world where climate change is altering the environment.

The Directors have reviewed Company forecasts and projections which cover a period of five years from 31 March 2022, 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:

- The Company and the portfolio assets over at least 12 months to 31 July 2023. We have assumed the Company's rate of expenditure over the period will remain unchanged, that there are no contractual capital commitments at fund level but has included potential commitments of the subsidiaries in the analysis. 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 Company has no financial responsibility for its operating companies.

The Directors acknowledge their responsibilities in relation to the financial statements for the year ended 31 March 2022 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 at least 12 months until 31 July 2023.

Long Term Viability

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

As at 31 March 2022, the Company had net current assets of £195.72 million and had cash balances of £198.04 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 continues to commit to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both. The Company is a guarantor to GSES1 Limited's £15m revolving credit facility with Santander. The Company had no outstanding debt as at 31 March 2022.

Directors' Report
Continued

The Directors have reviewed Company forecasts and projections which cover a period of five years from 31 March 2022, 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 further considered the following scenario:

- An economic turmoil test to assess the impact of a continued market slowdown during a five year term with no additional equity raised and annual expenditures remaining the same over the defined period.

After assessing the risks, which include emerging risks like climate change and reviewing the Company's liquidity position, together with the forecasts of performance under various scenarios, the Directors confirm that the Company will be able to continue in operation and meet its liabilities over the period of at least five years.

Section 172 Statement

The Role of the Board

The Directors are responsible for determining the Company's investment policy and strategy and have overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Company's service providers. The Directors may delegate certain functions to other parties such as the Investment Manager, the Administrator and the Registrar.

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 shareholders
- The Company's Investment Manager
- The Company's business partners and key service providers
- The Company's key contractors
- Regulators/Government

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

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.
- General Meetings.
- 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 either directly or via the Company's corporate broker and Investment Manager as further expansion becomes necessary. These engagement activities have ensured that the Company's investment pipeline and fundraising programme have been aligned, as the Company will require further funding to continue with the investment strategy and obtain additional pipeline investments.

Engagement with the Investment Manager

The Investment Manager is responsible for the development and implementation of the investment strategy, including the acquisition, origination, execution and management assisting the Company in meeting the expectations of its Investment and Dividend Policies. 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.

Section 172 Statement
Continued

Engagement with Business Partners and Other 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 the performance of 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. The Board has regular contact with the three main service providers: the Investment Manager, Administrator and Company Secretary through quarterly board meetings with the Chair and Audit Chair meeting more regularly.

Engagement with Key Contractors

The Company and its investments are reliant on the Investment Manager selecting reputable suppliers and experienced O&M service providers. The failure of any of the Group's suppliers (including EPC contractors and O&M service providers) may result in closure, seizure, enforced dismantling or other legal action in respect of the Group's projects.

NEC ES has recently announced that it intends to wind down operations by 2030. Since its announcement, NEC continues to meet its outstanding obligations to the Company. Nonetheless, there is the risk that NEC's internal restructuring efforts may adversely affect its ability to meet its outstanding obligations to the Company.

Engagement with Communities

The Board recognises the importance of the communities in which the Company operates. 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. The development of a comprehensive ESG strategy is under active implementation.

Regulators / Government

The Board regularly considers how it meets regulatory and statutory obligations and follows voluntary and best practice guidance, including how any governance decisions it makes impact its stakeholders both in the short and long term.

Key Board Decisions

The Board's principal decisions each year typically include approving capital raises (equity and debt), payment and level of dividends to meet expectations.

Where potential conflicts of interest arise, these would be 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 Investment Manager communicates regularly with the Board on both the pipeline and the individual projects that the Investment Manager is transacting on, before such a transaction is concluded. The Board retains the right to request such additional information as necessary to confirm compliance with the Company's investment policy. The Investment Manager actively assesses the Group's portfolio risk and performance and routinely reports to the Board on the Deal Team's execution of revenue strategy, month to month financials, operational performance, health and safety performance and financial projections. At the project level, the Investment Manager works closely with third parties to monitor revenue contracts and cash flow level, and to review the financial model to assess actual and projected project returns based on actual performance.

The Board also agreed to create more distributable reserves, by way of approval of the cancellation of £40 million from the share premium account which was achieved through the issue of a special resolution at the AGM; this request was approved by a minimum of 75% of shareholder votes and filing of a court order to legally approve the cancellation. The Company strives to maintain 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.

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 UK adopted international accounting standards.

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 UK adopted international accounting standards, 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 and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK 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 (https://www.gsenergystoragefund.com) is the responsibility of the Directors. The Directors' responsibilities also extend 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 UK adopted international accounting standards 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 principal risks and uncertainties that it faces.

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
Chair

Date: 25 July 2022

Corporate Governance Report

This Corporate Governance Report forms part of the Report of the Directors as further disclosed on pages 71-98. 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 Principles and Provisions of the Association of Investment Companies Code of Corporate Governance (the "AIC Code"). The AIC Code addresses the Principles 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 Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council, provides more relevant information to Shareholders.

The Board recognises the importance of good governance and considers that the Company has, throughout the year under review, complied with the Principles and Provisions of the AIC Code. The AIC Code is available on the AIC website (). It includes an explanation of how the AIC Code adopts the Principles and Provisions set out in the UK Code to make them relevant for investment companies. The Company is a member of the AIC.

Compliance with the AIC Code

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

SECTION 5: BOARD LEADERSHIP AND PURPOSE	
PRINCIPLES	**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 71-98 Chair's Statement, pages 21-24 Corporate Governance Report, pages 71-98
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 25-61 Chair's Statement, pages 21-24 Corporate Governance Report, pages 71-98
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, pages 53-56 Principal risks and uncertainties, pages 57-61 Audit Committee report, pages 83-86
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, pages 68-69 Section 172 statement, pages 68-69 Corporate Governance Report, pages 71-98
E. Intentionally left blank Per the AIC Code	

Corporate Governance Report
Continued

SECTION 6: DIVISION OF RESPONSIBILITIES

PRINCIPLES	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.	Chair's Statement, pages 21-24 Corporate Governance Report, pages 71-98
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 71-98 Biographies, pages 78-79 Remuneration and Nomination Committee, pages 87-90
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 71-98 Remuneration and Nomination Committee report, pages 87-90 Audit Committee report, pages 83-86 Management Engagement Committee report, pages 91-92
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 71-98 Audit Committee report, pages 83-86

SECTION 7: COMPOSITION, SUCCESSION AND EVALUATION

PRINCIPLES	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 87-90
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 78-79
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 87-90

Corporate Governance Report
Continued

SECTION 8: AUDIT, RISK AND INTERNAL CONTROL	
PRINCIPLE	**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 83-86 Notes 2 and 3 to the financial statements, pages 105-106
N. The Board should present a fair, balanced and understandable assessment of the Company's position and prospects.	Strategic report, pages 25-61 Audit Committee report, pages 83-86 Independent Auditor's report, pages 93-98 Financial statements, pages 99-104
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 57-61 Viability statement, pages 68-69 Audit Committee report, pages 83-86 Management Engagement Committee report, pages 91-92

SECTION 9: REMUNERATION	
PRINCIPLE	**DETAILS OF HOW THE COMPANY COMPLIES**
P. Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success.	Corporate Governance Report, pages 71-98 Remuneration and Nomination Committee report, pages 87-90
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 87-90
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 87-90

The Board

The Board consists of four non-executive directors all of whom are deemed to be independent of the Investment Manager. The Board represent a range of public service, investment, financial and business skills, and has a depth of experience across these categories. The Chair of the Board is Patrick Cox. In considering the independence of the Chair, 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.

Biographical details of all Board members (including significant other commitments) are shown on pages 78-79.

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, ensuring the Company is delivering on its strategy and monitoring performance against the Company's strategic objectives.

Corporate Governance Report
Continued

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 Company's expense.

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 took place in 2021 and details can be found in the Remuneration and Nomination Committee Report. In the intervening years, an internal board evaluation will be carried out with the assistance of the Company Secretary.

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.
- Ensuring the maintenance of a sound system of internal control and risk management and review the effectiveness of the Company's overall internal control arrangements and processes.

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

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. The Board keeps under review the culture and how this aligns with the Company's purpose and strategy. Our culture is driven by our purpose and core values.

Our purpose is to deliver seven per cent 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 Alternative Investment Fund Manager ("AIFM"), has a Risk Committee, comprised of members of its own staff for the purposes of monitoring the risk management framework of the Company.

Corporate Governance Report
Continued

Alternative Investment Fund Manager Directive ("AIFMD")

The Company is an Alternative Investment Fund 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 AIFM, 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 91-92.

The Investment Manager

Gore Street Capital Limited ("GSC") act as the AIFM, 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.

GSC 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.

Under the terms of the Management Agreement, the Investment Manager is entitled to receive from the Company an advisory fee payable quarterly in arrears calculated at the rate of a quarter of one per cent of Adjusted Net Asset Value minus "Uncommitted Cash", where uncommitted Cash means cash that has not been allocated for repayment of a liability on the balance sheet of any member of the Group. Adjusted Net Asset Value means Net Asset Value, minus cash on the Company balance sheet.

The Investment Manager is also entitled to a performance fee calculated by reference to the movements in the Net Asset Value (before subtracting any accrued performance fee) which is linked to gross proceeds raised on the Company's IPO plus a 7% hurdle, and is set out in the Prospectus dated 29 March 2022.

During the year, the Management Agreement was amended to:

- change the term of adjusted NAV to mean net asset value minus uncommitted cash. Uncommitted cash means all cash on the Company's balance sheet other than committed cash. Committed cash means cash that has been allocated for repayment of a liability on the balance sheet of any member of the group.
    - an additional fixed fee payable quarterly in advance with effect from 1 October 2020 to the Investment Manager of £50,000 per annum to support the administrative and accounting function, plus an additional per asset fee of £6,000 per annum in respect of each energy storage project held by the group beginning with (and including) the tenth energy storage project, calculated and payable quarterly in arrear with effect from 1 October 2020 and based on the number of energy storage assets held by the Group at each quarter end.
    - a fixed fee of £10,382.97 per month payable monthly in arrear with effect from 1 October 2020 to Investment Manager for the provision of corporate services. Corporate services are defined in the side letter and is in relation to supporting the execution of investment transactions and managing third party advisors, 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.

In addition, the following changes to the management agreement were implemented with fees being payable to the Investment Manager by each respective subsidiary:

- During the period, the Investment Manager and Company entered into a Commercial Management Agreement for the provision of the Construction Services and the Operational Services. The Investment Manager shall be entitled to receive a fixed fee of £110,750 per Development Project per annum (the "**Construction Services Fee**"), for a maximum term of 1.5 years in respect of each Development Project and in respect of the Operational Services to be provided by the Commercial Manager pursuant to this Agreement, the Commercial Manager shall be entitled to receive a fixed fee of £20,000 per Operational Asset per annum, save for the Ancala Assets in respect of which the fixed fee shall be £6,000 per annum.

The Depositary

Indos Financial Limited are the Depositary to the Company.

The Administrator

Sanne Group Administration Services (UK) Limited ("Sanne") is Administrator to the Company.

During the year ended 31 March 2022, as Administrator, Sanne on behalf of the Directors, was responsible for the maintenance of the books and records, the management and financial accounts, 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.

Corporate Governance Report
Continued

The Company Secretary

JTC (UK) Limited ("JTC") are Company Secretary to the Company. As Company Secretary, JTC is responsible for 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.

Member	Board	Audit Committee	Management Engagement Committee	Remuneration and Nomination Committee
Patrick Cox	4/4	2/2	1/1	1/1
Caroline Banszky	4/4	2/2	1/1	1/1
Malcolm King	4/4	2/2	1/1	1/1
Thomas Murley	4/4	2/2	1/1	1/1

Meetings and attendance

The Board meets formally on a quarterly basis. 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.

We also had 14 ad hoc meetings which are generally called to approve special announcements, transactions or share issues that have taken place throughout 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. Reviewing the risk register and considering internal controls.
4. The Depositary Report for the period.
5. Financial results against budget and cash flow forecasts, including dividends declared and forecast.
6. Reports and updates on shareholder and investor communications.
7. 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.
8. Recommendations and updates from the Board committees as appropriate.

Key Activities of the Board during 2021/2022

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 25-61 for more details). This included:

- Considering capital structure.
- Raising additional equity.
- Discussing and approving portfolio acquisitions.
- Reviewing conflicts of interest register and significant shareholdings.
- Reviewing the Risk Register.
- Reviewing and approval of the quarterly NAV and dividend.
- 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.
- Monitoring the situation with regards to COVID-19.
- Monitoring the impact of the Russia/Ukraine conflict.

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The Board of Directors

Patrick Cox (Chair)

Mr Cox has significant board experience and is currently, a member of the Appointment Advisory Committee for the European Investment Bank, Chair of Ecocem Ltd., a non-executive director of Supernode Ltd and of Gresham House Ireland Asset Management 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. He was formerly the Chair of the Public Interest Committee for KPMG Ireland until December 2020. Mr Cox was President of the European Parliament from 2002 to 2004 and leader of its Liberal Democrat Group from 1998 to 2002 and served as a Member of the European Parliament for Munster, Ireland, from 1989 to 2004. He is the European Coordinator for the Scandinavian- Mediterranean TEN-T Core Network Corridor, appointed by the European Commission, and leader of a parliamentary reform programme with Ukraine, appointed by the European Parliament. He has been bestowed with National Honours by Presidents of Austria, Bulgaria, Estonia, Italy, Latvia, Lithuania, Poland, 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 22 February 2018 and has been a director for 4 years and 1 month. He sits on the Remuneration & Nomination Committee, the Audit Committee, and the Management Engagement Committee.

Ms Caroline Banszky

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. In addition, she is a director of the Benefact Trust Limited and a member of their Finance & Investment Committee, a director of the UK Stem Cell Foundation S and a member of the Investment Sub-Committee of The Open University. Formerly the Chief Executive of The Law Debenture Corporation plc., from 2002 to 2016, she was also Chief Operating Officer of SVB Holdings plc (now Novae Group plc), then a Lloyd's listed integrated vehicle, from 1997 to 2002 and Finance Director of N.M. Rothschild & Sons Limited from 1995 to 1997, having joined the bank in 1981. She originally trained at what is now KPMG. Ms Banszky was appointed on 22nd February 2018 and has been a director for 4 years and 1 month. She is the Chair of the Audit Committee sits on the Remuneration & Nomination Committee, and the Management Engagement Committee.

Malcolm King

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 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 Ecofin Global Utilities & Infrastructure Trust plc and a former non-executive director of Henderson Opportunities Trust. 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 22 February 2018 and has been a director for 4 years and 1 month. He sits on the Remuneration & Nomination Committee, the Audit Committee, and the Management Engagement Committee.

Thomas Murley

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 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 22 February 2018 and has been a Director for 4 years and 1 month. He sits on the Remuneration & Nomination Committee, the Audit Committee and the Management Engagement Committee.

The Investment Committee

Frank Wouters is a director of the Investment Manager. He is Senior Vice President New Energy at Reliance Industries and heads the EU Clean Energy Technology Network from Abu Dhabi. Mr Wouters was recently the Deputy Director General of the International Renewable Energy Agency ("IRENA"). IRENA is an intergovernmental organisation that supports governments in their transition to a sustainable energy future. Prior to IRENA, Mr. Wouters was the Director of the Clean Energy Unit at Masdar, a subsidiary of Mubadala, one of Abu Dhabi's sovereign wealth funds. During his tenure as Director of the Masdar Clean Energy Unit, Mr Wouters led the development and construction of renewable energy projects worth more than US$3 billion, including a solar plant in Abu Dhabi, three in Spain and the London Array, the largest offshore wind park in the world. He received his MSc in Mechanical Engineering from Delft University of Technology.

Suminori Arima, the Chief Investment Office (CIO) at the Investment Manager, is a former Managing Director of RHJ International in Japan and London, and of Kleinwort Benson in London. RHJ International was a parent company of Kleinwort Benson and was a publicly listed private equity business spun off from Ripplewood Holdings. Since Suminori joined Ripplewood in 2002, he has gained over 20 years' experience in private equity, including various large investments and divestments. He was also a board member of various public and private companies. Prior to joining Gore Street Capital, Suminori had been engaged in various investment activities in solar and wind (on-shore and off-shore) in Europe. He has a Masters in Finance from Princeton University and a BA in Economics from the University of Tokyo.

Alex O'Cinneide is CEO and Chair of the Investment Committee of Gore Street Capital, a business he founded in 2015. Prior to this he was Managing Director and Head of Europe for Paladin Capital, a Senior Advisor to Kleinwort Benson Bank, and served on the Investment Committee of IndoChina Capital; and from 2006 to 2013 was Head of Investments for Masdar, Abu Dhabi's USD15 billion sovereign wealth fund. From 2006 to 2012, Masdar invested in the largest off-shore wind farm in the world, owning 20 per cent. Of the 1GWp London Array project in a joint venture with E>ON UK and Dong; China's largest non-SOE wind developer (over a GWp of active projects); a range of PV and CSP plans in both Europe and the US, including 40 per cent. of a EUR1.76 billion investment in Torresol Energy devoted to the construction of three CSP plants in Spain; Acciona Solargenix CSP plants (over 60MW) in the US; and waste-to- energy plants in both the US and Europe, as well as a range of growth equity positions in new technology companies located globally. Alongside those commercial activities he is a trustee of the London Irish Centre, a UNICEF Advisor, is an Associate Researcher to the Energy Policy Group in Cambridge University, a Fellow of the Royal Geographical Society and an Honorary Research Fellow of Imperial College London. Alex O'Cinneide holds a MA from Trinity College Dublin, a MSc from the London School of Economics, a MSc from the London Business School and a PhD from Trinity College Dublin on Energy Policy.

The Investment Committee
Continued

Information on the Investment Manager

The Company has appointed Gore Street Capital Limited as the Company's investment manager, which is authorised and regulated by the UK's Financial Conduct Authority as a full scope Alternative Investment Fund Manager (the "Investment Manager").

The Investment Manager was formed in 2015 as a platform to acquire, develop and manage global renewable energy assets. It is headquartered in the UK and comprises a strong team of investment professionals with significant experience in sourcing, structuring, and managing large renewable energy projects globally. The Investment Manager was the first to deploy privately-owned large-scale battery projects in Great Britain.

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. The Board review the reports on the internal controls of the Company's key service advisers which identify the risk management systems in place for assessing, managing, and monitoring risks applicable to such service advisers. 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 key service advisers):

Investment Manager: Gore Street Capital Limited

Administrator: Sanne Group (UK) Limited

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 57-61 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 regarding risks that the Company faces.

As part of its regular risk assessment procedures, the Board reviews reports on the conclusions of any testing carried out by the auditors, and takes account of environmental, social and governance matters related to the business of the

The Investment Committee Continued

Company. The Board has identified and assessed the 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 pages 53-56.

When required, experts, including tax and legal advisors, are employed to gather information and advise the Board. 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 Financial Reporting Council ("FRC"). The principal features of the internal control systems which the Investment Manager 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 Policy

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 Chair, the Senior Independent Director and other Directors are also available to meet with Shareholders if requested or 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 20 September 2022 and notice of the meeting is published accompanying the Annual Report and Accounts. The Company will notify shareholders of any changes to the proposed format for the AGM as soon as possible via a 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

Date: 25 July 2022

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 two times during the financial year ended 31 March 2022. 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, Ernst & Young LLP, and the independent valuer BDO LLP.

The Audit Committee operates within clearly defined terms of reference which are reviewed on an annual basis 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 are 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 Manager, 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 half year and interim 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 Manager with respect to the Company.

Audit Committee's Report
Continued

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 pandemic 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.
10. Considering the impact of the Russian invasion of Ukraine.

Financial Reporting

The primary role of the Committee in relation to financial reporting is to review with the Investment Manager and the Administrator 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. The Committee reviewed the disclosures related to the technical infringement of the Company's Act 2006 and proposed remedial actions, as described on pages 21-24 of the Chair Statement and notes 21 and 24 of the financial statements.
- 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, are 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.

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 challenged the appropriateness of the discount rate used and carefully considered the impact of the macro-economic and industry related factors on Income recognition and associated assumptions in relation to the valuation of the assets that have been included in the 31 March 2022 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 of investment valuations represents a 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 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

Audit Committee's Report
Continued

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 Chair 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 Manager 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 considers at least once a year whether or not there is a need for an internal audit function. Currently it does not consider there to be a need for an internal audit function, given that there are no employees in the Company and all outsourced functions are with parties who have their own internal controls and procedures. In light of the growing portfolio of assets under management the requirement for an internal audit function is under active discussion and review with the Investment Manager.

External Auditor

EFFECTIVENESS OF THE AUDIT PROCESS

The Audit Committee assessed the effectiveness of the audit process by considering Ernst & Young LLP's fulfilment of the agreed audit plan. This assessment included the review of reporting presented to the Audit Committee by Ernst & Young 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 2019. The Audit Committee monitors the Company's expenditure on non-audit services provided by the Independent 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. During the year, the only non-audit service provided by EY was their review of the half year accounts/financial statements. 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 external Auditor. In fulfilling this requirement, in addition to its own internal assessment, the Audit Committee has considered a report from Ernst & Young 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 Ernst & Young LLP to be independent of the Company.

Audit Committee's Report
Continued

AUDITOR'S TENURE

The Auditor is required to rotate the audit partner every five years. The current partner is in her fourth year of tenure. There are no contractual obligations restricting the choice of external auditor and the Company will consider putting the audit services contract out to tender at least every ten years. In line with the FRC's recommendations on audit tendering, this will be considered further when the audit partner rotates every five years. Under the Companies Act, the reappointment of the external Auditor is subject to shareholder approval at the AGM.

Having carried out the review described above and having satisfied itself that the Auditor remains independent and effective, the Audit Committee has recommended to the Board that Ernst & Young LLP be reappointed as Auditor for the year ended 31 March 2023.

Annual General Meeting

The Chair of the 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 an Audit Committee meeting. 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 2022, 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 of the Board and its committees. 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
Chair of the Audit Committee

Date: 25 July 2022

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 83-86.

Annual Statement from the Chair 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. 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.

We concluded that there is no need to change the remuneration policy this year, the policy being approved in 2019 and will be put a shareholder vote at the 2022 AGM as part of the regulatory three yearly approval process.

In accordance with the Articles and the AIC Code, we considered the current levels of remuneration and whether they reflect the time commitment and responsibilities the Company calls for. During the year neither the Board nor the Committee has been provided with external advice of services by any person but has received industry comparison information from the Company Secretary in respect of 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 the remuneration policy. The Directors are not involved in deciding their own individual remuneration with each Director abstaining from voting on their own remuneration.

At the end of the preceding year the Committee undertook a benchmarking exercise of directors' remuneration across the Company's peer group and considered the current level of remuneration for each individual board member. It was agreed that directors' remuneration should increase in line with the increased capitalisation of the Company up to a maximum capitalisation of £100m to bring the directors remuneration in line with market rates and the remuneration set out in the Prospectus at IPO from which the directors had taken a temporary reduction to reflect the reduced market capitalisation of the Company. The Committee decided in March 2021 that as directors had received increases during the year to match the reflected growth of the Company, any further additional increase was not appropriate at this time and that no additional uplift would be made until such time as further growth of substance had been achieved.

Remuneration Policy

Below is the Company's remuneration policy. This policy was adopted on 14 August 2019 and will next be put to a Shareholder vote at the 2022 AGM as part of the regulatory three yearly approval process.

Policy

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.

Directors' Remuneration Report

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 £40,000 quarterly in arrears for their services. In addition to this fee, Pat Cox is paid an additional £17,500 per annum for his role as Chair of the Board. Caroline Banszky is paid an additional £5,000 per annum

Remuneration & Nomination Committee Report Continued

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.

The remuneration levels for the Directors were set at the time of IPO in May 2018 at a reduced level to reflect the £30million of equity raise. As the market capitalisation of the Company has grown during the year the Directors' remuneration was reviewed and increased to reflect the current market capitalisation (capped at £100million) to realign the Directors' remuneration in a stepped process to reflect the original intended level of remuneration pre-IPO. Whilst this has resulted in stepped increases of substantial change the directors' do not propose to apply any further remuneration increases until such time as further Company growth of substance has been achieved.

Director	Year ended 31 March 2023 ***	Year ended 31 March 2022 (£)	Year ended 31 March 2021 (£)
Pat Cox*	70,625	57,500	43,387
Caroline Banszky**	52,500	45,000	31,051
Malcolm King	43,750	40,000	26,734
Tom Murley	43,750	40,000	26,734
Total	210,625	182,500	127,906

* This includes £17,500 per annum in respect of serving as Chair of the Board. **This includes £5,000 per annum in respect of serving as Chair of the Audit committee.

*** uplift effective from 1 July 2022, amount shows remuneration on 3/12 and 9/12 split.

2022	Percentage increase from 31 March 2020 to 31 March 2021 on salary annual fees	Percentage increase from 31 March 2021 to 31 March 2022 on salary annual fees
Pat Cox	31.48%	32.53%
Caroline Banszky	47.86%	49.92%
Malcolm King	48.52%	49.62%
Tom Murley	48.52%	49.62%

2022/2023 Remuneration

The remuneration levels for the forthcoming year 2022/2023 for the Directors are shown in the above table.

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 2022 were as follows:

(Audited)

Director	Number of Ordinary Shares	Percentage of Issued share Capital
Pat Cox	49,996	0.01%
Caroline Banszky	50,000	0.01%
Malcolm King	50,000	0.01%
Tom Murley	0	0.00%
Total	149,996	0.03%

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

Remuneration & Nomination Committee Report
Continued

Tom Murley as a US resident has limited options for owning shares. The platform through which he owned shares closed and he was forced to sell. He is looking for a new platform through which to purchase shares.

Relative Importance of Spend on Pay

The difference in actual spend between 31 March 2022 and 31 March 2021 on Directors' remuneration in comparison to distributions (dividends and share buybacks) and other significant spending are set out in the table below:

	Payments made during the year ended 31 March 2022	Payments made during the year ended 31 March 2021
Directors' total remuneration	**182,500**	127,906
Dividends paid	**24,139,922**	10,090,673
Buy back of Ordinary Shares	**–**	–

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.

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 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 6 September 2021.

The voting outcome is set out in the table below:

	Resolution to approve directors' remuneration report 2021	Resolution to approve remuneration policy 2020
Votes for*	111,448,581	30,512,395
%	99.86%	99.88%
Votes against	158,158	36,300
%	0.14%	0.12%
Total votes validly cast	111,606,739	30,548,695
Total votes cast as a percentage of issued share capital	40.40%	39.58%
Votes withheld+	96,000	15,750

* includes discretionary vote.
\+ A vote withheld is not a vote in law and is not counted in the calculation of votes for or against a resolution.

Remuneration & Nomination Committee Report Continued

Approval of the Remuneration Report

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to Shareholders at the Company's 2022 AGM and shareholders will have the opportunity to express their views and raise any queries in respect of the Remuneration Policy at this meeting.

(2) Nomination

The Committee's responsibilities are 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 external board evaluation is currently ongoing. The Board have appointed Heidrick & Struggles to conduct and manage the process and report to the Board accordingly on the outcomes.

The external evaluation consisted of a questionnaire covering a range of board level topics, with accompanying reviews of each Committee, which addresses issues specific to that Committee, as well as self-assessments by the Directors and 1-2-1 interviews by the external evaluator of each non-executive director. The final results will be reviewed and discussed by the Remuneration and Nomination Committee and then the Board.

In addition to the ongoing external evaluation during the year, the Committee discussed the size, composition, skill set and structure of the Board and its Committees and considered that all of the Directors are independent from the Investment Manager as defined in the AIC Code and no circumstances have been identified that are likely to impair, or could appear impair, a Non-Executive Director's independence. Further that the Board had the appropriate combination of skills, experience and knowledge and that the current size of the Board was appropriate for a Company of its market capitalisation. However, this may change following the finalisation of the external board evaluation report by Heidrick and Struggles. During 2022, the Company will monitor its progress against the recommendations arising from the externally facilitated Board evaluation.

Members of the Board work effectively together to achieve the Company's objectives and that each director has the time and continues to contribute effectively.

Succession Planning

The Nomination Committee considered succession planning during the year and noted that currently all four Directors' tenure of nine years expires on the same date and that therefore there was a need to refresh the board over the next five years.

This Directors' Remuneration Report was approved by the Board on ● July 2022 and is signed on its behalf by Patrick Cox (Director and Chair of the Remuneration and Nomination Committee)

Patrick Cox
Chair of the Remuneration and Nomination Committee

Date: 25 July 2022

Management Engagement Committee Report

Introduction

The Management Engagement Committee is comprised of all the independent directors of the Company: Caroline Banszky, Malcolm King, Thomas Murley and me, Patrick Cox (Chair). The Committee's two principal functions are:

- To review annually the compliance by the Investment Manager with the Company's investment policy as established by the Board and with the Advisory and Services Agreement entered into between the Company and the Investment Manager from time to time (the "Management Agreement"); and
- To review annually the performance of any other key service providers to the Company

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

The Committee will meet as and when required, but formally at least once a year. JTC (UK) Limited attend our meetings as Secretary to the Committee. In addition, we invite representatives of the Investment Manager to attend as required.

The Committee met once in the period under review and all members were present. During this meeting, Committees terms of reference were reviewed and no alterations were made.

Investment Manager Review

When reviewing the Investment Manager's performance, the Committee considers its compliance with the terms of the Management Agreement as well as its overall performance against the Company's objectives.

The Committee also reviews the relationship with the Investment Manager including (but not limited to):

- Making recommendations on the Investment Manager's remuneration;
- Approving the terms of engagement of the Investment Manager and the terms of the Management Agreement;
- Assessing annually the Investment Manager's independence and objectivity taking into account relevant regulatory requirements;
- Assessing annually the qualifications, expertise and resources of the Investment Manager; and
- Meeting regularly with the Investment Manager and at least twice a year, to discuss the Investment Manager's remits, the performance of the Company's investments and any issues arising from the management of the Company's investments.

The Committee also reviews the level and method of remuneration of the Investment Manager pursuant to the terms of the Management Agreement, including the methodology of calculation of the relevant annual fee. The review of these fee arrangements seeks to ensure that the methodology does not encourage excessive risk and that it rewards demonstrably superior performance by the Investment Manager in managing or advising on the portfolio against the stated investment objective when compared to a suitable benchmark or peer group.

The remuneration payable to the Investment Manager under the terms of the AIFM Agreement, are set out on page 88.

Commercial Management Agreement

Pursuant to the Commercial Management Agreement, a subsidiary of the Investment Manager, Gore Street Operational Management Limited ("GSOML") provides certain operational and administrative services to the Company. These include services in respect of the Development Projects (the "Construction Services") and services in respect of the Operational Assets (the "Operational Services").

The Construction Services include, inter alia, managing development related matters that arise in relation to the project until the project has been commissioned, overseeing the exercise of lease options and negotiation of lease terms and overseeing the construction phase of the project.

The Operational Services include, inter alia, facilitating the timely response to issues on site, including dispatch of engineering resources and technicians, assessing daily performance of energy storage assets and identifying and monitoring project operations risks and issues and interfacing with and holding accountable the asset manager and operation and maintenance provider.

Pursuant to the Commercial Management Agreement, GSOML also provides administrative services to the Group, including in relation to financial reporting, supporting transactions and in relation to the development and implementation of ESG policies. As the Group's portfolio continues to grow, including with the acquisition of assets in new jurisdictions, the scope of the services to be provided by GSOML pursuant to the Commercial Management Agreement will increase.

GSOML is entitled to receive a quarterly fee equal to the lower of: (i) its costs associated with the provision of all services by it to the Group pursuant to the Commercial Management Agreement during the relevant quarter plus a 15 per cent. mark-up; and (ii) one-fourth of one per cent. of Net Asset Value

Management Engagement Committee Report Continued

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.

Following its review, the Committee have determined that the Investment Manager was generally performing satisfactorily and had complied with the terms of its engagement and had met its obligations to the Company. The Committee and Investment Manager discuss opportunities for improvements in communications on an ongoing basis. The committee recommended the Investment Manager's continued appointment to the Board.

Other service providers

The Committee also review the performance of the Company's other service providers and in particular:

- Monitors compliance by providers of other services to the Company with the terms of their respective agreement from to time;
- Reviews and considers the appointment and remuneration of providers of services to the Company; and
- Considers any points of conflict which may arise between the providers of services to the Company.

The Committee also carried out a full performance review of all its service providers at its last meeting during which all terms of engagement and fees were carefully considered by the Committee.

Administrator

Sanne Group Administration Services (UK) Limited ("Sanne") served as Administrator during the period.

Under the terms of the Administration Agreement, Sanne is entitled to:

(a) an annual fee in respect of the accounting and administration services it will provide of £50,000.

(b) an annual value fee of:

- 0.05% of NAV to the extent that NAV is between £30m and £75m.
- 0.025% of NAV to the extent that NAV is between £75m and £150m; and,
- 0.02% of NAV to the extent that such NAV exceeds £150m.

The Committee found the Company's service providers were all performing satisfactorily and concluded that the relevant appointments should continue.

Committee evaluation

An evaluation of the Committee was undertaken as part of the overall evaluation of the Board and its committees. The Committee was found to be functioning effectively.

Patrick Cox
Committee Chair

Date: 25 July 2022

Independent Auditor's Report

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 2022 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, 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 UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We confirmed our understanding of the Company's going concern assessment process and discussed with the directors and the Investment Manager those factors they considered important in their assessment. We considered whether the factors taken account of in the directors' assessment addressed those matters which we considered important.
- We inspected the directors' assessment of going concern, including the cash flow forecast, for the period to 31 July 2023 which is at least 12 months from the date the financial statements were authorised for issue. In preparing the cash flow forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- We reviewed the factors and assumptions, including the impact of the COVID-19 pandemic and other significant events that could give rise to market volatility, as applied to the cash flow forecast. We considered the appropriateness of the methods used to calculate the cash flow forecast and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised were appropriate to be able to make an assessment for the Company. We also reviewed the Company's assessment of the investment portfolio under stressed market conditions and determined the impact of sensitivities in net asset value from the reverse stress testing performed.
- We confirmed through discussion with the Investment Manager and the directors that there was 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 and noted that there were no material commitments for the Company as at 31 March 2022.
- We reviewed the Company's going concern disclosures included in the annual report in order to assess whether the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period assessed by the directors, being the period to 31 July 2023, which is at least 12 months from when the financial statements are authorised for issue.

Independent Auditor's Report
Continued

In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of inaccurate valuation of investments
Materiality	• Overall materiality of £3.6m which represents 1% of net assets.

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 which included our valuation specialists.

CLIMATE CHANGE

There has been increasing interest from stakeholders as to how climate change will impact companies. The Company has assessed the impact climate change could have on its operations and investments. This is explained in the emerging risk section on page 61, which form part of the "Other information", rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 2 and conclusion that climate risk does not materially impact the estimates and assumptions used in determining the fair value of the investments. We also challenged the directors' considerations of climate change in their assessment of going concern and viability and associated disclosures.

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.

Independent Auditor's Report Continued

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Inaccurate valuation of investments Refer to the Audit Committee Report (pages 83-86); Accounting policies (pages 107-110); and Notes 12 and 17 of the Financial Statements. The valuation of the investment portfolio as at 31 March 2022 was £180.76 million (2021: £80.69) consisting of the Company's investments in battery storage assets through its wholly owned subsidiary, GSES1 Limited and its subsidiaries. The Company meets the definition of an 'investment entity' in accordance with IFRS 10, thus it values its investment in its subsidiary at fair value through profit or loss. 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, being unlisted investments with no directly comparable listed investments, the underlying assumptions that drive the value of the 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 Valuation Standards Council ("IVSC") valuation guidelines, using a discounted cash flow ("DCF") methodology.	We performed the following procedures: Gained an understanding of the Investment Adviser 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 of each asset held via the Company's investment in GSES1 Limited and its subsidiaries to validate that the valuation methodology adopted is consistent with the requirements of IFRS and IVSC guidelines. Corroborated key revenue streams and other valuation model inputs to supporting contracts and external pricing forecasts, as applicable. Held discussions with the Investment Manager 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. For a selected sample of investments, engaged EY valuation specialists to assist in challenging the appropriateness of the discount rate used and to assess the impact of macro-economic and industry related factors used in calculating the net present value of the future cash flows. For the remainder of the investments, we ensured that consistent valuation methodology has been applied and challenged the key estimates used in determining the fair value of the investments. Performed back testing by comparing prior year revenue and expense projections to current year actuals, to assess reasonableness of projections. Checked the clerical accuracy of the valuation models.	Our audit procedures did not identify any material misstatements regarding the risk of incorrect valuation of investments.

There have been no changes to the areas of audit focus raised in the above risk table from the prior year.

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 £3.6 million (2021: £1.45 million), which is 1% (2021: 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.

Independent Auditor's Report
Continued

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 75% (2021: 50%) of our planning materiality, namely £2.7m (2021: £0.72m). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

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 £0.177m (2021: £0.072m), 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, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 year 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

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

Independent Auditor's Report
Continued

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 66;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 66;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 66;
- Directors' statement on fair, balanced and understandable set out on page 70;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 64;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 64; and
- The section describing the work of the audit committee set out on pages 83-86.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 70, 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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (UK adopted international accounting standards, the Companies Act 2006, UK Corporate Governance Code, AIC Code of Corporate Governance and The Companies (Miscellaneous Reporting) Regulations 2018) and Section 1158 of the Corporation Tax Act 2010. 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 by making enquiries of the Investment Manager, Company Secretary, and also the directors including the Chair of the Audit Committee. We corroborated our understanding through our review of board minutes, papers provided to the Audit Committee and correspondence received from regulatory bodies.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statement. 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. In order to address the residual risk of management override we have performed journal entry testing.

Independent Auditor's Report
Continued

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures included review of the Company's distributable reserves supporting dividend payments in accordance with Companies Act requirements, challenging management and the directors where questions arose and inspecting correspondence with their legal advisors. In addition, our procedures involved review of reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements.

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

- Following the recommendation from the audit committee 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 four years, covering the years ending 31 March 2019 to 31 March 2022.
- 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
Edinburgh

25 July 2022

Financial Statements

Statement of Comprehensive Income

For the Year Ended 31 March 2022

		Year Ended 31 March 2022			Year Ended 31 March 2021		
	Notes	Revenue (£)	Capital (£)	Total (£)	Revenue (£)	Capital (£)	Total (£)
Net gain on investments at fair value through profit and loss	7	–	43,531,405	43,531,405	–	16,205,729	16,205,729
Investment income	8	5,489,529	–	5,489,529	1,233,000	–	1,233,000
Administrative and other expenses	9	(6,493,364)	–	(6,493,364)	(2,844,035)	–	(2,844,035)
Profit before tax		(1,003,835)	43,531,405	42,527,570	(1,611,035)	16,205,729	14,594,694
Taxation	10	–	–	–	–	–	–
Profit after tax and profit for the year		(1,003,835)	43,531,405	42,527,570	(1,611,035)	16,205,729	14,594,694
Total comprehensive income for the year		(1,003,835)	43,531,405	42,527,570	(1,611,035)	16,205,729	14,594,694
Profit per share (basic and diluted) – pence per share	11			14.15			16.06

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 105-125 form an integral part of these financial statements.

Statement of Financial Position

As at 31 March 2022

Company Number 11160422

	Notes	31 March 2022 (£)	31 March 2021 (£)
Non – Current Assets			
Investments at fair value through profit or loss	12	**180,762,419**	80,694,275
		180,762,419	80,694,275
Current assets			
Cash and cash equivalents	13	**198,047,440**	60,152,317
Trade and other receivables	14	**46,476**	5,364,168
		198,093,916	65,516,485
Total assets		**378,856,335**	146,210,760
Current liabilities			
Trade and other payables	15	**2,375,241**	1,075,819
		2,375,241	1,075,819
Total net assets		**376,481,094**	145,134,941
Shareholders equity			
Share capital	20	**3,450,358**	1,438,717
Share premium	20	**269,708,123**	107,713,725
Special reserve	20	**186,656**	186,656
Capital reduction reserve	20	**42,258,892**	17,446,348
Capital reserve	20	**64,757,592**	21,226,187
Revenue reserve	20	**(3,880,527)**	(2,876,692)
Total shareholders equity		**376,481,094**	145,134,941
Net asset value per share	19	**1.09**	1.01

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

Patrick Cox
Chair

Date: 25 July 2022

The notes on pages 105-125 form an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2022

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total shareholders equity (£)
As at 1 April 2021	1,438,717	107,713,725	186,656	17,446,348	21,226,187	(2,876,692)	145,134,941
Profit for the year	–	–	–	–	43,531,405	(1,003,835)	42,527,570
Total comprehensive profit for the year	–	–	–	–	43,531,405	(1,003,835)	42,527,570
Transactions with owners							
Ordinary Shares issued at a premium during the year	2,011,641	206,616,364	–	–	–	–	208,628,005
Share issue costs	–	(4,621,966)	–	–	–	–	(4,621,966)
Transfer to capital reduction reserve	–	(40,000,000)	–	40,000,000	–	–	–
Dividends paid	–	–	–	(15,187,456)	–	–	(15,187,456)
As at 31 March 2022	**3,450,358**	**269,708,123**	**186,656**	**42,258,892**	**64,757,592**	**(3,880,527)**	**376,481,094**

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

The notes on pages 105-125 form an integral part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2021

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total shareholders equity (£)
As at 1 April 2020	525,488	19,707,058	186,656	25,516,500	5,020,458	(1,265,657)	49,690,503
Profit for the year	–	–	–	–	16,205,729	(1,611,035)	14,594,694
Total comprehensive profit for the year	–	–	–	–	16,205,729	(1,611,035)	14,594,694
Transactions with owners							
Ordinary shares issued at a premium during the year	913,229	89,850,900	–	–	–	–	90,764,129
Share issue costs	–	(1,844,233)	–	–	–	–	(1,844,233)
Dividends paid	–	–	–	(8,070,152)	–	–	(8,070,152)
As at 31 March 2021	1,438,717	107,713,725	186,656	17,446,348	21,226,187	(2,876,692)	145,134,941

The notes on pages 105-125 form an integral part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 March 2022

	Notes	Year Ended 31 March 2022 (£)	Year Ended 31 March 2021 (£)
Cash flows used in operating activities			
Profit for the year		**42,527,570**	14,594,694
Net profit on investments at fair value through profit and loss		**(43,531,405)**	(16,205,729)
Decrease/(Increase) in trade and other receivables		**5,317,692**	(400,641)
Increase in trade and other payables		**1,299,422**	362,160
Net cash used in operating activities		**5,613,279**	(1,649,516)
Cash flows used in investing activities			
Purchase of investments		**(56,536,739)**	(34,076,053)
Net cash used in investing activities		**(56,536,739)**	(34,076,053)
Cash flows used in financing activities			
Proceeds from issue of Ordinary Shares at a premium		**208,628,005**	90,764,129
Share issue costs		**(4,621,966)**	(1,844,233)
Dividends paid		**(15,187,456)**	(8,070,152)
Net cash inflow from financing activities		**188,818,583**	80,849,744
Net increase/(decrease) in cash and cash equivalents for the year		**137,895,123**	45,124,175
Cash and cash equivalents at the beginning of the year		**60,152,317**	15,028,142
Cash and cash equivalents at the end of the year		**198,047,440**	60,152,317

During the year, interest received by the Company totaled £5,489,530 (2021: £1,098,000).

The notes on pages 105-125 form an integral part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2022

1. General information

Gore Street Energy Storage Fund plc (the "Company"), a public limited company limited by shares was incorporated and registered in England and Wales on 19 January 2018 with registered number 11160422. The registered office of the Company is 18th Floor, The Scalpel, 52 Lime Street, London, EC3M 7AF.

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 has recently acquired a project in Germany and is also considering projects in North America.

2. Basis of preparation

STATEMENT OF COMPLIANCE

The annual financial statements have been prepared in accordance with UK adopted international accounting standards. 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 over the period to 31 July 2023, being at least 12 months from the date of approval of the financial statements. As such, they have adopted the going concern basis in preparing the annual report and financial statements.

In our going concern assessment, we have taken into account the impact of Covid-19 and the Company's ability to generate revenue from its operational assets continues and remains largely unaffected by the pandemic. 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 going-concern analysis assumes continued annual expenditure at the rate of current expenditure and continued discretionary dividend payments to shareholders at the annual target rate of 7% of NAV, subject to a minimum target of 7 pence per Ordinary Share in each financial year. With expenditure and discretionary dividends assumed unchanged, the Company will continue to be operational and will have excess cash after payment of its liabilities for at least the next 12 months to 31 July 2023.

As at 31 March 2022, the Company had net current assets of £195.72 million and had cash balances of £198.04 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 continues to commit to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both. The Company is a guarantor to GSES1 Limited's £15m revolving credit facility with Santander. The Company had no outstanding debt as at 31 March 2022.

Notes to the Financial Statements
Continued

2. Basis of preparation (continued)

The Directors acknowledge their responsibilities in relation to the financial statements for the year ended 31 March 2022 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 at least the next twelve months to 31 July 2023.

The board has considered the impact of climate change on the investments included in Company's financial statements and have assessed that it does not materially impact the estimates and assumptions used in determining the fair value of the investments.

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 investments. 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.

Notes to the Financial Statements
Continued

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 2022.

There have been no new standards, amendments to current standards, or new interpretations which the directors feel have an impact on these financial statements.

NEW AND REVISED IFRSs IN ISSUE BUT NOT YET EFFECTIVE

In February 2021, the International Accounting Standards Board issued further amendments to IAS8: Accounting Policies, Changes in Accounting Estimates and Errors. Those amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and correction of errors. They further clarify how entities use measurement techniques and inputs to develop accounting estimates. These amendments are effective for periods beginning on or after 1 January 2023 and having reviewed the amendments, the Board is of the opinion that these amendments will not have a material impact on the Company's financial statements.

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 an accruals basis in totality, with amounts received in cash recognised in investment income and the unrealised portion disclosed in net gain on investments at fair value through profit and loss.

EXPENSES

Expenses are accounted for on an accrual basis and charged to the Statement of Comprehensive Income. Share issue costs are allocated to 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.

Notes to the Financial Statements
Continued

5. Summary of significant accounting policies (continued)

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

Notes to the Financial Statements
Continued

5. Summary of significant accounting policies (continued)

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.

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 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 of 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.

Notes to the Financial Statements
Continued

5. Summary of significant accounting policies (continued)

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 for the Company through the Administration and Company Secretarial Agreement. JTC (UK) Limited is entitled to a £70,000 annual fee for the provision of Company Secretarial services.

During the year, expenses incurred with JTC (UK) Limited for secretarial services amounted to £64,657 with £25,000 being outstanding and payable at the year end.

Sanne Fiduciary Services (UK) Limited ("Sanne") had been appointed as administrator. Through an Administration agreement, Sanne is entitled to an annual fee of £50,000 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:

- 0.05% on a net asset value of £30 million to £75 million
- 0.025% on a net asset value of £75 million to £150 million
- 0.02% on a net asset value thereafter.

During the year, expenses incurred with Sanne for accounting and administrative services amounted to £97,155, with £25,765 being outstanding and payable at the year end.

AIFM

The AIFM, Gore Street Capital Limited (the "AIFM"), was entitled to receive from the Company, in respect of its services provided under the AIFM agreement, a fee of £75,000 per annum for the term of the AIFM agreement.

During the year, AIFM fees amounted to £75,207, there were no outstanding fees payable at the year end.

At the year end, an amount of £18,647 paid in the year to Gore Street Capital Limited in respect of these fees, is being disclosed in prepayments as it relates to the period 1 April 2022 to 30 June 2022.

INVESTMENT ADVISORY

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

Notes to the Financial Statements
Continued

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

	31 March 2022 (£)	31 March 2021 (£)
Net gain on investments at fair value through profit and loss	43,531,405	16,205,729
	43,531,405	16,205,729

8. Investment Income

	31 March 2022 (£)	31 March 2021 (£)
Bank interest income	58,977	–
Investment income	5,430,552	1,098,000
Interest income (on advance to NEC)	–	135,000
	5,489,529	1,233,000

9. Administrative and other expenses

	31 March 2022 (£)	31 March 2021 (£)
Accounting and Company Secretarial fees	161,812	155,718
Audit fees (see below)	226,000	211,600
Bank interest and charges	8,464	6,810
Directors' remuneration and expenses	182,500	135,378
Directors & Officers insurance	18,617	13,431
Foreign exchange loss	13,604	1,050
Investment advisory fees	3,090,737	1,128,107
Irrecoverable VAT	–	(26,626)
Legal and professional fees *	772,617	483,724
AIFM fees	75,207	75,246
Marketing fees	69,652	80,144
Performance fees	1,545,369	496,461
Sundry expenses	244,851	82,994
Write back of NEC interest receivable	83,934	–
	6,493,364	2,844,037

* The Company incurred one-off expenses totalling £126,703 in respect of transactional documentation relating to NEC (see note 14).

Notes to the Financial Statements
Continued

9. Administrative and other expenses (continued)

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

		31 March 2022 (£)	31 March 2021 (£)
Audit services			
Statutory audit	Annual accounts – current year	**210,000**	191,100
	Annual accounts – prior year under accrual	**–**	5,000
		210,000	196,100
Non-audit services			
Other assurance services		**16,000**	15,500
Total audit and non-audit services		**226,000**	211,600

The statutory auditor is remunerated £145,900 (2021: £119,000), 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 2022 (£)	31 March 2021 (£)
(a) Tax charge in profit and loss account		
UK Corporation tax	**–**	–
(b) Reconciliation of the tax charge for the year		
Profit before tax	**42,527,570**	14,594,694
Tax at UK standard rate of 19%	**8,080,238**	2,772,992
Effects of:		
Unrealised gain on fair value investments	**(8,270,966)**	(3,079,089)
Expenses not deductible for tax purposes	**995**	20,600
Deferred tax not recognised	**189,733**	285,497
Tax charge for the year	**–**	–
Estimated losses not to be recognised due to insufficient evidence of future profits	**3,147,853**	2,142,752
Estimated deferred tax thereon 25% (2021: 19%)	**786,963**	407,123

As at 31 March 2022, 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 25% (2021: 19%) of £786,963 (2021: £407,123) has not been recognised in respect of these expenses since they are recoverable only to the extent that, it is considered more likely than not, the Company has sufficient future taxable revenue.

Notes to the Financial Statements
Continued

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 2022	31 March 2021
Net gain attributable to ordinary shareholders	£ 42,527,570	£ 14,594,694
Weighted average number of Ordinary Shares for the year	300,542,518	90,860,919
Profit per share – Basic and diluted (pence)	14.15	16.06

12. Investments

	Place of business	Percentage ownership	31 March 2022	31 March 2021
GSES1 Limited ("GSES1")	England & Wales	100%	180,762,419	80,694,275

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 2022 was £116,009,272 (2021: £59,472,534). 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 GSF Albion, GSF England, GSF IRE and GSF Atlantic as listed below which in turn hold an interest in project companies.

	Immediate Parent	Place of business	Percentage Ownership	Investment
GSF Albion Limited ("GSF Albion")	GSES1	England & Wales	100%	
NK Boulby Energy Storage Limited	GSF Albion	England & Wales	99.998%	Boulby
Kiwi Power ES B	GSF Albion	England & Wales	49%	Cenin
GSF England Limited ("GSF England")	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
Ferrymuir Energy Storage Limited	GSF Albion	England & Wales	100%	Ferrymuir
Ancala Energy Storage Limited	GSF England	England & Wales	100%	Beeches, Blue House Farm, Brookhall, Fell View, Grimsargh, Hermitage, Heywood Grange, High Meadow, Hungerford, Low Burntoft

Notes to the Financial Statements Continued

12. Investments (continued)

	Immediate Parent	Place of business	Percentage Ownership	Investment
Breach Farm Energy Storage Limited	GSF England	England & Wales	100%	Breach Farm
Hulley Road Energy Storage Limited	GSF England	England & Wales	100%	Hulley Road
Larport Energy Storage Limited	GSF England	England & Wales	100%	Larport
Lascar Battery Storage Limited	GSF England	England & Wales	100%	Lascar
Stony Energy Storage Limited(1)	GSF England	England & Wales	100%	Stony
Enderby Battery Storage Limited(2)	GSF England	England & Wales	100%	Enderby
GSF Atlantic Limited(3)	GSES1	England & Wales	100%	
GSF Cremzow GmbH & Co KG(4)	GSF Atlantic	Germany	90%	Cremzow
GSF Cremzow Verwaltungs GmbH(4)	GSF Atlantic	Germany	90%	

(1) The acquisition of Stony Energy Storage Limited was completed on the 12 May 2021.

(2) The acquisition of Enderby Battery Storage Limited was completed on the 17 September 2021.

(3) GSF Atlantic Limited was incorporated on the 11 February 2022.

(4) The acquisition of GSF Cremzow GmbH & Co KG and its General Partner, GSF Cremzow Verwaltungs GmbH was completed on the 10 March 2022.

All subsidiaries that have a place of business in England & Wales are registered at 18 Floor, The Scalpel, 52 Lime Street, London, EC3M 7AF.

Porterstown Battery Storage Limited and Kilmanock Battery Storage Limited are registered at Block C, 77 Sir John Rogerson's Quay, Dublin, D02 VK60, Republic of Ireland.

GSF Cremzow GmbH & Co KG and GSF Cremzow Verwaltungs GmbH are registered at Schenkenberg, Gut Dauerthal 3, 17291 Schenkenberg.

13. Cash and cash equivalents

	31 March 2022 (£)	31 March 2021 (£)
Cash at bank	198,047,442	60,152,317
	198,047,442	60,152,317

14. Trade and other receivables

	31 March 2022 (£)	31 March 2021 (£)
VAT recoverable	–	359,954
Prepaid Director's and Officer's insurance	4,920	6,239
Other Prepayments	39,027	37,384
Other Debtors	2,529	76,673
Advance to NEC ES	–	4,500,000
Interest on advance to NEC ES	–	383,918
	46,476	5,364,168

Notes to the Financial Statements
Continued

14. Trade and other receivables (continued)

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 was agreed 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 was 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).

During the year, the Company had offset the entire £4.5 million advance against amounts due to NEC (UK) Limited, whilst it was agreed that an amount of £299,984 would be settled as the final interest charge, the balance of £83,934 was written off (see note 9). The interest amount was received in full from NEC ES on the 19 July 2021.

15. Trade and other payables

	31 March 2022 (£)	31 March 2021 (£)
Administration fees	50,765	25,826
Audit fees	226,000	127,400
Directors remuneration	6,668	6,669
Professional fees	1,897,707	529,549
Other creditors	5,002	13,003
VAT payable	189,099	370,372
	2,375,241	1,075,819

16. Categories of financial instruments

	31 March 2022 (£)	31 March 2021 (£)
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	198,047,440	60,152,317
Trade and other receivables	46,476	5,364,168
Fair value through profit and loss account		
Investment	180,762,419	80,694,275
Total financial assets	378,856,335	146,210,760
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	2,375,241	1,075,819
Total financial liabilities	2,375,241	1,075,819

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. The amortised cost of all other assets approximates to the cost value.

Notes to the Financial Statements
Continued

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 2022.

VALUATION PROCESS

In the year, the Company acquired Stony Energy Storage Limited and Enderby Battery Storage Limited, with capacities of 79.9MW and 57MW respectively. It also acquired its first mainland European Asset, through GSF Cremzow GmbH & Co KG, a German limited partnership and its German general partner, GSF Cremzow Verwaltungs GmbH, the asset having a capacity of 22MW. These acquisitions bring the Company's portfolio of lithium-ion energy storage investments to a total capacity of 628.5 MW (2021: 440.0 MW). As at 31 March 2022, 231.7 MW of the Company's total portfolio was operational and 396.8 MW pre-operational (the "Investments").

The Investments comprise twenty six projects, all based in the UK, the Republic of Ireland or mainland Europe. 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.

Valuations are calculated quarterly by the Investment Advisor, and a sample which meets our Net Asset Value materiality threshold are reviewed by an independent third party, prior to presentation and review by the Company's board of directors and publication of the half year and year-end reports.

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 2022 (£)**	**31 March 2021 (£)**
Great Britain	DCF	Discount Rate	6% - 8%	**89,350,935**	**49,216,281**
(excluding Northern Ireland)		Revenue / MWH	£5.5 - £40		
Northern Ireland	DCF	Discount Rate	9.5%	**57,076,847**	**23,968,276**
		Revenue / MWH	£8 - £21		
Republic of Ireland	DCF	Discount Rate	9.5%	**17,595,232**	**6,015,352**
		Revenue / MWH	€6 - €15		

Notes to the Financial Statements Continued

17. Fair Value measurement (continued)

Investment Portfolio	Valuation technique	Significant Inputs: Description	Significant Inputs: (Range)	Fair Value: 31 March 2022 (£)	Fair Value: 31 March 2021 (£)
Germany	DCF	Discount Rate		12,583,705	–
		Revenue / MWh			
Holding Companies	NAV			4,155,700	1,494,366
Total Investments				180,762,419	80,694,275

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 2022 (£)	Estimated effect on Fair Value: 31 March 2021 (£)
Great Britain (excluding Northern Ireland)	DCF	Revenue	+10%	46,600,000	9,626,000
			-10%	(28,312,000)	(9,846,000)
		Discount rate	+1%	(12,378,000)	(4,278,000)
			-1%	14,357,000	4,919,000
Northern Ireland	DCF	Revenue	+10%	9,984,000	4,210,000
			-10%	(10,034,000)	(4,095,000)
		Discount rate	+1%	(3,226,000)	(2,407,000)
			-1%	3,675,000	2,787,000
		Exchange rate	+3%	(839,000)	(1,233,000)
			-3%	897,000	1,291,000
Republic of Ireland	DCF	Revenue	+10%	4,404,000	715,000
			-10%	(4,937,000)	(1,392,000)
		Discount rate	+1%	(3,242,000)	(2,999,000)
			-1%	3,772,222	2,787,000
		Exchange rate	+3%	(362,000)	(192,000)
			-3%	382,000	208,000
Germany	DCF	Revenue	+10%	3,698,000	–
			-10%	(4,465,000)	–
		Discount rate	+1%	(704,000)	–
			-1%	804,000	–
		Exchange rate	+3%	(285,000)	–
			-3%	303,000	–

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

Notes to the Financial Statements
Continued

17. Fair Value measurement (continued)

- **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 year.

Reconciliation	31 March 2022 (£)	31 March 2021 (£)
Opening balance	80,694,275	30,412,493
Purchases during the year	56,536,739	34,076,053
Total fair value movement through the profit and loss	43,531,405	16,205,729
	180,762,419	80,694,275

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, including the possibility that counterparties with which the Company and its subsidiaries, together the Group, contract with, 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.

Notes to the Financial Statements
Continued

18. Financial risk management (continued)

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 Germany. The Company intends to further limit its exposure to concentration risk through further projects in Western Europe and is considering projects in North America.

- **Credit risk**

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 and Santander UK plc, both reputable financial institution with a Moody's credit ratings of A and A1 respectively.

- **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, together with the newly acquired Cremzow in Germany, 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 16.69% (2021: 7.45%) 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 instrument 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 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.

Notes to the Financial Statements
Continued

18. Financial risk management (continued)

- **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.

- **Liquidity risk**

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

31 March 2022	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
Financial assets					
Cash and cash equivalents	198,047,440	–	–	–	198,047,440
Trade and other receivables	46,476	–	–	–	46,476
Fair value through profit and loss					
Investments	–	–	–	180,762,419	180,762,419
Total financial assets	198,093,916	–	–	180,762,419	378,856,335
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables	2,375,241	–	–	–	2,375,241
Total financial liabilities	2,375,241	–	–	–	2,375,241

31 March 2021	< 1 year	1 to 2 years	2 to 5 years	> 5 years	Total
Financial assets					
Cash and cash equivalents	60,152,317	–	–	–	60,152,317
Trade and other receivables	5,364,168	–	–	–	5,364,168
Fair value through profit and loss					
Investments	–	–	–	80,694,275	80,694,272
Total financial assets	65,516,485	–	–	80,694,275	146,210,760
Financial liabilities					
Financial liabilities at amortised cost					
Trade and other payables	1,075,819	–	–	–	1,075,819
Total financial liabilities	1,075,819	–	–	–	1,075,819

Investments include both equity and debt instruments. As the equity instruments have no contractual maturity date, they have been included with the >5-year category. Additionally, the debt instruments have an original maturity of 20 years.

- **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.

Notes to the Financial Statements
Continued

18. Financial risk management (continued)

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 £18,025,549 (2021: £8,069,427). 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 2022	31 March 2021
Net assets per Statement of Financial Position	£ 376,481,094	£ 145,134,941
Ordinary Shares in issue as at 31 March	345,035,842	143,871,681
NAV per share – Basic and diluted (pence)	**109.11**	100.88

20. Share capital and reserves

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total (£)
At 1 April 2021	1,438,717	107,713,725	186,656	17,446,348	21,226,187	(2,876,692)	145,134,941
Issue of ordinary £0.01 shares: 27 April 2021	1,323,529	133,676,471	–	–	–	–	135,000,000
Issue of ordinary £0.01 shares: 4 October 2021	688,112	72,939,893	–	–	–	–	73,628,005
Transfer to capital reduction reserve(1)	–	(40,000,000)	–	40,000,000	–	–	–
Share issue costs	–	(4,621,966)	–	–	–	–	(4,621,966)
Dividends paid	–	–	–	(15,187,456)	–	–	(15,187,456)
Profit for the year	–	–	–	–	43,531,405	(1,003,835)	42,527,570
At 31 March 2022	**3,450,358**	**269,708,123**	**186,656**	**42,258,892**	**64,757,592**	**(3,880,527)**	**376,481,094**

(1) Following the approval at the Company's AGM on the 6 September 2021, the Company made an application to the High Court, together with a 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 £40,000,000. This was affected on the 15 December 2021 by a transfer of that amount from the share premium account to distributable reserves.

Notes to the Financial Statements
Continued

20. Share capital and reserves (continued)

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue reserve (£)	Total (£)
At 1 April 2020	525,488	19,707,058	186,656	25,516,500	5,020,458	(1,265,657)	49,690,503
Issue of ordinary £0.01 shares: 30 June 2020	30,000	2,853,000	–	–	–	–	2,883,000
Issue of ordinary £0.01 shares: 8 July 2020	216,274	20,567,624	–	–	–	–	20,783,898
Issue of ordinary £0.01 shares: 30 October 2020	66,955	7,030,276	–	–	–	–	7,097,231
Issue of ordinary £0.01 shares: 16 December 2020	600,000	59,400,000	–	–	–	–	60,000,000
Share issue costs	–	(1,844,233)	–	–	–	–	(1,844,233)
Dividends paid	–	–	–	(8,070,152)	–	–	(8,070,152)
Profit for the year	–	–	–	–	16,205,729	(1,611,035)	14,594,694
At 31 March 2021	**1,438,717**	**107,713,725**	**186,656**	**17,446,348**	**21,226,187**	**(2,876,692)**	**145,134,941**

SHARE ISSUES

On 27 April 2021, the Company issued 132,352,941 ordinary Shares at a price of 102.00 pence per share, raising net proceeds from the Placing of £132,125,301. Admission subsequently took place on 27 April 2021.

On 4 October 2021, the Company issued 68,811,220 ordinary Shares at a price of 107.00 pence per share, raising net proceeds from the Placing of £72,120,250. Admission subsequently took place on 4 October 2021.

Following the approval at the Company's AGM on the 6 September 2021, the Company made an application to the High Court, together with a 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 £40,000,000. This was affected on the 15 December 2021 by a transfer of that amount from the share premium account to distributable reserves.

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 2022 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 gains and losses recognised in the 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.

Notes to the Financial Statements Continued

21. Dividends

	Dividend per share	31 March 2022 (£)	31 March 2021 (£)
Dividends declared during the year			
For the 3 month period ended 31 March 2020	1 pence	–	771,761
For the 3 month period ended 30 June 2020	2 pence	–	1,543,523
For the 3 month period ended 30 September 2020	2 pence	–	2,877,434
For the 3 month period ended 31 December 2020	2 pence	–	2,877,434
For the 3 month period ended 31 March 2021	1 pence	**2,762,246**	–
For the 3 month period ended 30 June 2021	2 pence	**5,524,492**	–
For the 3 month period ended 30 September 2021	2 pence	**6,900,718**	–
		15,187,456	8,070,152

The table below sets out the proposed final dividend, together with the interim dividends 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 2022 (£)	31 March 2021 (£)
Interim dividends for 2021 – 4 pence (2021: 6 pence)	**12,425,210**	7,298,391
Interim dividend – 2 pence	**6,900,718**	–
Proposed final dividend for 2022 – 1 pence (2021: 1 pence)	**4,813,995**	2,762,246
	24,139,923	10,060,637

During the period, the Company declared and paid dividends totalling £15.18m out of distributable reserves. The Companies Act 2006 requires public companies where necessary to prepare and file relevant accounts with the Registrar of Companies showing its distributable profits position if the last filed accounts do not show sufficient distributable profits. It has come to the attention of the Directors that the Company did not fully comply with these requirements resulting in a technical infringement of the Companies Act in respect of the payment of the interim dividends for the periods from 1 July 2021 to 30 September 2021 and 1 October 2021 to 31 December 2021. The matter does not have any impact on the financial statements.

In order to address this situation a special resolution will be proposed at the Company's forthcoming Annual General Meeting to authorise the appropriation of distributable profits to the payment of the relevant dividends and remove any right for the Company to pursue shareholders or directors (the Director Release') for repayment. The Director Release will constitute a smaller related party transaction under the Listing Rules of the FCA. The overall effect of the special resolution being passed will be to return all parties to the position they would have been in, had the relevant dividends been made in full compliance with the Acts.

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

During the year, it was agreed to increase each of the directors' remuneration and as at 31 March 2021, Patrick Cox, Chair of the Board of Directors of the Company, is paid a director's remuneration of £57,500 per annum, (2021: £43,387), Caroline Banszky is paid a director's remuneration of £45,000 per annum, (2021: £31,051) per annum, with the remaining directors' remuneration of £40,000 per annum, (2021: £26,734).

Notes to the Financial Statements
Continued

22. Transactions with related parties (continued)

Total director's remuneration of £182,500 and employment associated costs and expenses of £21,509 were incurred in respect of the period with £6,669 being outstanding and payable at the year 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% 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.

During the year, the management agreement was amended to change the term of adjusted NAV to mean net asset value minus uncommitted cash. Uncommitted cash means all cash on the Company's balance sheet other than committed cash. Committed cash means cash that has been allocated for repayment of a liability on the balance sheet of any member of the group. Investment advisory fees of £3,090,737 (2021: £1,029,876) were paid during the year, there were no outstanding fees as at 31 March 2022, (2021: £nil outstanding).

INVESTMENT ADVISOR

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. Performance fees of £1,545,369, were accrued as at 31 March 2022, (2021: £496,461).

During the period the Investment Advisor provided operations management services to SPV companies resulting in charges in the amount of £781,600 (2021: £686,025) being paid by the SPV companies to the Investment Advisor.

Notes to the Financial Statements
Continued

23. Capital commitments

The Company together with its direct subsidiary, GSES1 Limited entered into Facility and Security Agreements with Santander UK PLC in May 2021 for £15 million. Under these agreements, the Company acts as charger and guarantor to the amounts borrowed under the Agreements by GSES1 Limited. As at 31 March 2022, no amounts had been drawn on this facility.

The Company had no contingencies and significant capital commitments as at the 31 March 2022.

24. Post balance sheet events

The Directors have evaluated the need for disclosures and / or adjustments resulting from post balance sheet events through to 25 July 2022, the date the financial statements were available to be issued.

The board approved on the 4 March 2022, the issuance of an interim dividend of 2 pence per share. This dividend totaling £6,900,718 was paid to investors on the 1 April 2022. Post year-end, it has come to the attention of the Directors that the Company did not fully comply with The Companies Act 2006 requirements resulting in a technical infringement in respect of the payment of the interim dividends for the periods from 1 July 2021 to 30 September 2021 and 1 October 2021 to 31 December 2021. The matter does not have any impact on the financial statements. In order to address this situation a special resolution will be proposed at the Company's forthcoming Annual General Meeting to authorise the appropriation of distributable profits to the payment of the relevant dividends and remove any right for the Company to pursue shareholders or directors (the Director Release') for repayment. The Director Release will constitute a small related party transaction under the FCA.

In April 2022, the Company issued a further 136m shares, raising gross proceeds of £150 million.

Post year end, the Company acquired 4 assets in the US for USD 32.03m, three operational projects and one in its construction phase. These combined assets have a total capacity of 39.8MW with 30MW operational and are the Company's first investment in the US.

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 2022.

Directors and Advisors

Directors

Patrick Cox - Chair
Caroline Banszky
Malcolm Robert King
Thomas Scott Murley

Registered office

The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF

AIFM

Gore Street Capital Limited
16-17 Little Portland Street
First Floor
London
W1W 8BP

Investment Manager

Gore Street Capital Limited
16-17 Little Portland Street
First Floor
London
W1W 8BP

Joint Corporate Broker

J.P. Morgan Cazenove
Floor 29
25, Bank Street
London
E14 5JP

Administrator

Sanne Fiduciary Services (UK) Limited
6th Floor
125 London Wall
London
EC2Y 5AS

Company Secretary

JTC (UK) Limited
The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF

Registrar and Receiving Agent

Computershare Investor Services Plc
The Pavilions
Bridgewater Road
Bristol
BS13 8AE

Sponsor and Joint Corporate and Broker

Shore Capital Limited
Cassini House
57 St James Street
London
SW1A 1LD

Depositary

INDOS Financial Limited
St Clements House
27-28 Clements Lane
London
EC4N 7AE

Independent Valuer

BDO LLP
55 Baker Street
London
W1U 7EU

Ticker: GSF

Independent Auditor

Ernst & Young LLP
144 Morrison Street
Edinburgh
EH3 8EX
United Kingdom

Legal Advisor

Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

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Gore Street
Energy Storage Fund plc

Gore Street Capital Limited
First Floor
16-17 Little Portland Street
London
England
W1W 8BP

www.gsenergystoragefund.com