Gore Street
Energy Storage Fund

Gore Street Energy Storage Fund plc

(Company Registration number 11160422)

Half Yearly Condensed Financial Statements

For the period ended 30 September 2019

Contents

Gore Street
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Chairman's Statement

For the period ended 30 September 2019

I am pleased to present Gore Street Energy Storage Fund PLC results for the period ending September 30 2019.

Performance and returns

Our assets continue to operate within expected parameters, with the exception of one operational issue which was rectified. and with further operating assets coming onstream, Fund cash flows are targeted to continue to strengthen. It is our expectation that current levels of operational efficiency will continue for the remainder of the year. This period also saw the progression of two further assets, Lower Road and Port of Tilbury with a combined 19MW of capacity, becoming operational soon after the period end; we note the commencement of projects at Drumkee and Mullavilly in Northern Ireland also took place then and are progressing well. These latter two projects, with a combined capacity of 100MW, are the first arising from our acquisition of a total portfolio of 350MW in Ireland (190MW of which we hold under option). They are expected to become operational in the first quarter of 2021. A further two projects from that portfolio , Porterstown and Kilmarnock in the Republic of Ireland, with 60MW of capacity, were completed upon our successful participation in the auction for six year fixed price contracts held in Ireland.

The attractive terms for the acquisition of the two Northern Ireland assets and the revenue contracts available have already enabled our independent valuers, BDO, to ascribe an increase in value to these assets, alongside operational improvements which significantly increase the lifespan of the assets. Overall we see strong momentum in our NAV with an uplift in this period of 91.5p a share to 95.5p. These valuations are derived by discounting future revenue, including a significant risk premium, of 10% compared to 6% for operational assets. This provides considerable upside to their valuation should the projects be completed on time and on budget as the discount rate falls. It would also be a highly encouraging indicator for the success of the Republic of Ireland projects. However, the projects are still at an early stage and the high discount rate used by BDO reflects the work ahead to bring the assets onstream. Your Board will be keeping a careful eye on the progress of these projects and the two in the Republic of Ireland and ensure that they continue to be appropriately valued during this time. Further uplift to the net asset value should be provided by the reinstatement of the capacity market following the satisfactory ruling of the European Commission. Following its suspension, we took a conservative view of the outcome and wrote off 12 months of capacity market revenues which we will be receiving back. Its reinstatement is also a good indicator of stability in our market and we welcome the move.

Since IPO the company has grown its portfolio to 189MW of projects in operation or construction from 6MW, proved itself to be competitive in new high value markets such as on the Island of Ireland, focused on significant operational improvements in its assets and received a strong mandate from a leading renewable energy investor; whilst navigating a steep learning curve as the first mover in this market. All of which we believe makes it well placed to benefit from the significant long term opportunities outlined at flotation.

Dividends

We continue to target a dividend of 7 pence per share with respect to year ending 31 March 2020, which is one of the highest distributions of any London listed renewable infrastructure fund.

Acquisitions & Funding

We are pleased to report that our acquisition pipeline has been fruitful, with the Company securing the rights to 350 MW of Energy Storage Assets since March 2019. The Company continues to generate a large pipeline of investment calibre opportunities on which further growth can be developed.

This strong performance on the acquisitions side has been mirrored by the announcement on 5 June 2019, that the Company entered into an agreement with the National Treasury Management Agency ("NTMA") for up to a £30m investment in the Company. £1.5m was invested as part of the Initial Placing in August 2019 and an additional £9.5m was subsequently drawn in October 2019. There is an additional £ 15.5m commitment to be drawn for the development of further projects in the Republic of Ireland.

Gearing

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

Governance

The Company has an independent Board with experience in the sector, comprising myself as chairman and three other non-executive directors, which has worked well during the year.

The Audit, Remuneration and Nomination and Management Engagement Committees are in place as sub-committees of the Board. The Board is aware of the new matters set out in the updated AIC Corporate Governance Code, has a range and depth of suitable and compatible skills and is committed to achieving high standards of corporate governance.

Patrick Cox
Chairman
Date: 11 December 2019

Gore Street
Energy Storage Fund

Strategic Report

Introduction

The Directors present their Strategic Report for the period ended 30 September 2019. Details of the Directors who held office during the period and as at the date of this report are given on page 37.

Investment Objective

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 primarily located in the UK and the Republic of Ireland, although the Company will also consider projects in North America and Western Europe. 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.

Investment policy

The Company is in the process of investment in a diversified portfolio of utility scale energy storage projects. The portfolio will be primarily located in the UK and the Republic of Ireland but the Company will consider projects outside the UK, and the Republic of Ireland in particular in North America and Western Europe.

Individual projects will be held within special purpose vehicles into which the Company will invest through equity and/or debt instruments. Typically, each special purpose vehicle will hold one project but there may be opportunities where a special purpose vehicle owns more than one project.

The Company will typically seek legal and operational control through direct or indirect stakes of up to 100 per cent. in such special purpose vehicles but may participate in joint ventures or acquire minority interests where this approach enables the Company to gain exposure to assets within the Company's investment policy which the Company would not otherwise be able to acquire on a wholly-owned basis. In such circumstances the Company will seek to secure its shareholder rights through the usual protective provisions in shareholders' agreements and other transactional documents.

The Company currently intends to invest primarily in energy storage projects using lithium-ion battery technology as such technology is considered by the Company to offer the best risk/return profile. However, the Company is ultimately agnostic as to which energy storage technology is used by its projects and will monitor projects with alternative battery technologies such as sodium and zinc derived technologies, or other forms of energy storage technology such as flow batteries/machines and compressed air technologies, and will consider such investments, including combinations thereof, where they meet the investment policy and objectives of the Company.

The Company does not intend that the aggregate value of investments outside the UK and the Republic of Ireland will be more than 40 per cent. of Gross Asset Value (calculated at the time of investment). The Company may invest cash held for working capital purposes and pending investment or distribution in cash or near-cash equivalents, including money market funds. The Company may (but is not obliged to) enter into hedging arrangements in relation to currency, interest rates and/or power prices for the purposes of efficient portfolio management. The Company will not enter into derivative transactions for speculative purposes. The Company intends to invest with a view to holding assets until the end of their useful life. However, assets may be disposed of or otherwise realised where the Investment Advisor determines in its discretion, that such realisation is in the interests of the Company. Such circumstances may include, without limitation, disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise.

Risk and diversification

The Board is focussed on ensuring that there is a sufficient diversity of risk within the Company's portfolio. It is the Company's intention that when any new acquisition is made that no single project or interest in any project, will have an acquisition price, or, if it is an additional interest in an existing investment, the combined value of the Company's existing interest and the additional interest acquired shall not be greater than 20 percent of Gross Asset Value calculated at the time of acquisition. However, in order to retain flexibility, the Company is 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 Gross Asset Value, calculated at the time of acquisition. The Company will target a diversified exposure with the aim of holding interests in no fewer than 10 separate projects at any one time once fully invested. Geographical diversification within the Company's portfolio will be achieved through investments located throughout the UK and the Republic of Ireland.

Strategic Report continued

Principal Risks and Uncertainties

Gore Street Energy Storage Fund's approach to risk management and governance structure are set out in the Risk section of the Annual report and accounts 2019, which can be accessed on the Group's website at www.gsenergystoragefund.com.

The principal risks to the achievement of the Group's strategic objectives for the remaining six months of its financial year are unchanged from those reported on pages 48 to 53 of the Annual report and accounts 2019, except for the following relating to foreign exchange, instalment payments and procurement environment have been added:

Risk: Changes in procurement methods relating to balancing services, alteration to the length of contracts offered and pricing across frequency response and Irish DS3 contracts. Failure to secure new contracts to supply these services.

The procurement details and contract designs that National Grid, Eirgrid and SONI use for the range of balancing services currently varies. For example, in GB, firm frequency response contracts are procured mainly through monthly tender process. This tender process is currently undergoing a transition with the National Grid currently working on the trial of a weekly auction mechanism to procure firm frequency response service. This may have an impact on pricing levels. Changes in the specification of services, for example, relating to the speed and duration of the delivery of a balancing service, may require battery storage projects to incur additional investment and set up costs. In the Irish (NI and ROI) market, DS3 uncapped contracts are awarded through semi-annual procurement process. Until such time as the Company's assets are awarded the contracts, there is a possibility that Eirgrid or SONI may revise the technical requirements or pricing methodologies, or new contracts may cease to be offered. After the award of DS3 uncapped contracts, there is a possibility that Eirgrid/SONI could cancel the contracts at 12 months' notice at any stage over the life of the contract.

Mitigant: The Company operates a revenue stacking strategy such that each asset benefits from a range of revenue streams and consequently has a lower reliance on any single contract mechanism or market. The Company has a back-up revenue strategy which can be enacted, incorporating wholesale arbitrage or involvement in the balancing mechanism market, in the event the currently forecast main revenue sources are terminated or unprofitable.

Risk: Instalment payment risk pertaining to battery system suppliers repayment schedules.

With respect to some of the existing portfolio assets, the Company has an agreed payment schedule with the relevant battery supplier incorporating payments scheduled after the commercial operation of the asset has begun. A part, or all of such payments is planned to be paid from cash flow of the assets, although a portion of the future instalment payments may be funded by the Company's additional deployment of capital to the SPV which owns the assets. The Company may enter into similar contracts for new projects to allow the company to improve capital efficiency. With this arrangement, there is a risk that the SPV owning the assets may require significant additional capital contribution from the Company to satisfy instalment payment obligations to the battery suppliers post commercial operations, which may not be covered by inherent operating cashflows of the SPV.

Mitigant: These instalment payments are arranged by the asset SPV without any recourse to the Company. Therefore, there is no contractual obligation to the Company in the event the asset SPV fails to make a scheduled payments to the battery system suppliers. The Company has strong relationships with various lenders in UK and Ireland and, if required, an SPV would potentially be in a position to finance the battery suppliers instalment payments though asset bank financing of cashflow generating assets.

Risk: Foreign Exchange Risk
A portion of the Company's assets will operate in markets in which Revenues are pegged to the Euro, or Capex and Intercompany loans at SPV level may be denominated in Euro, creating a foreign exchange exposure as the Company reports in GBP.

Mitigant: The Company may, in its discretion, hedge its currency exposure under any specific project contract between Sterling and any other currency in which the Group's income and payment obligations may be denominated, in particular US Dollars and Euro. The Company is in the process of reviewing various hedging strategies with respect to its Euro exposure. There can be no assurances or guarantees that the Company will successfully hedge against such risks or that adequate hedging arrangements will be available on an economically viable basis, and in some cases, hedging arrangements may result in additional costs being incurred or losses being greater than if hedging had not been used.

Strategic Report continued

Principal Risks and Uncertainties

Otherwise, there have been no material changes to the impact and likelihood of the Company's other principal risks, which are summarised below. This is not a comprehensive list of all potential risks and uncertainties faced by the Group, but rather a summary of the risks which may have a significant impact on its performance and future prospects.

Risk relating to the Company and Operation of its Portfolio:

The Company relies on third party service providers, external factors could affect these providers. We continue to review and improve our governance and controls to protect our operational infrastructure.

Risks arising from external factors including political, legal, regulatory, economic and competitor changes, which affect the Company's operations. There is significant continuing uncertainty in the outlook for the global economy, in addition to the political uncertainty linked to the forthcoming UK general election and UK's planned exit from the EU. Although we cannot be immune to wider market conditions and political instability, the Company's balance sheet is well funded with no Company debt and a portfolio which has a presence across both the UK and the Republic of Ireland. The Company continue to monitor the impact of current geo-political uncertainties as they develop.

Risk relating to Portfolio and Investment Strategy, and Tax Code Compliance:

Risks in respect of specific asset investment decisions, the subsequent performance of an investment or exposure concentrations across the Company's portfolios. Risks arising from external factors including political, legal, regulatory, economic and competitor changes, which affect the Company's operations. Risks relating to compliance failure regarding tax codes currently in force, and possible changes in tax legislation which may be enacted in the future. The Company continues to rely on third party experts for the provision of Investment, Valuation and Tax advice.

The Half-year report provides an update on the Company's strategy and business performance, as well as on market conditions, which is relevant to the Company's overall risk profile and should be viewed in the context of the Company's risk management framework and principal risks as disclosed in the Annual report and accounts 2019.

Patrick Cox
Chairman
Date: 11 December 2019

Investment Advisors Report

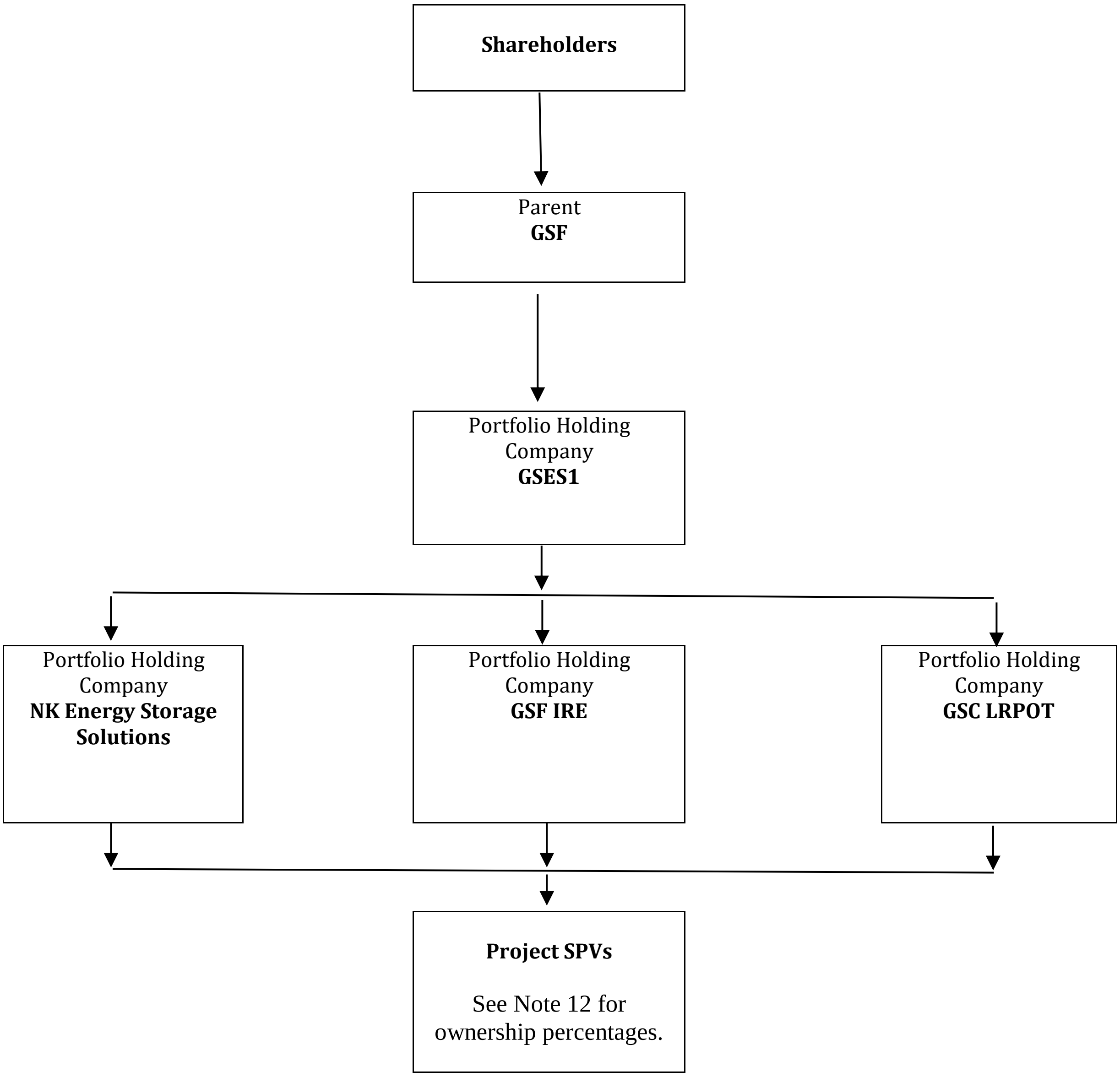
For the period ended 30 September 2019

About Gore Street Capital ("Investment Advisor")

The Investment Advisor was in operation since 2013 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 Advisor was the first to deploy privately-owned large-scale battery projects in Britain.

Structure

Gore Street Energy Storage Fund plc (the "Company" or "GSF") holds and manages its investments through UK limited companies which are effectively 100% wholly owned by the Company, GSES 1 Limited, NK Energy Storage Solutions Ltd., GSC LRPOT Limited and GSF IRE Limited. All project SPV's are not 100% owned.



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Investment Advisors Report continued

For the period ended 30 September 2019

Investment Objective

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 primarily located in the UK and the Republic of Ireland, although the Company also considers projects in North America and Western Europe. 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.

Strategic Partners

The Company's cornerstone investors, NEC Energy Storage Inc. ("NEC ES") and Nippon Koei ("NK") remain strategic partners and major shareholders since the IPO of the Company on 25 May 2018.

On 5 June 2019, the Company entered into an agreement with the National Treasury Management Agency ("NTMA") for up to a £30m investment in the Company. £1.5m was invested as part of the Initial Placing in August 2019 and an additional £9.5m was subsequently drawn in October 2019. There is an additional £ 15.5m commitment to be drawn for the development of further projects in the Republic of Ireland.

Investment Portfolio Summary

At period end, the Company's portfolio consists of eight projects with a total grid connection capacity of 189.0 MW. Four of those projects are situated in GB with two in Northern Ireland. Rights to the remaining two projects in Republic of Ireland were crystallised to 51% ownership post period end. Operating projects represented 10.0 MW at the end of the period. In addition, post period end a further 9mw asset became operational bringing the portfolio total to 19MW.

The Investment Advisor has selected assets that deliver portfolio diversification by multiple revenue streams, geographical location, EPC contractors, O&M counterparties and developers.

Portfolio Assets

As of 30 September 2019, the Company's portfolio consisted of six assets as detailed below:

	1. Boulby	2. Cenin
Location	Cleveland, North Yorkshire United Kingdom	Swansea, Wales, United Kingdom
Size	6 MW	4MW
SPV Entity	NK Boulby Energy Storage Limited	Kiwi Power ES B Limited
Percentage effectively owned by GSF	100%	49%
Contract Type	Behind-the-meter	Co-location
Source of Revenue	Frequency Response Capacity Market Service to the site	Frequency Response Capacity Market
Site Type	Industrial Mining	Renewable Energy
Status	Operational	Operational
Commissioning / Expected Commissioning	Operational since Oct. 2016	Operational since Feb. 2018
Battery Supplier	NEC ES	Tesla

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Investment Advisors Report continued

For the period ended 30 September 2019

Portfolio Assets continued

	3. Lower Road	4. Port of Tilbury
Location	Brentwood United Kingdom	Port of Tilbury, London United Kingdom
Size	10 MW	9 MW
SPV Entity	OSSPV001 Limited	OSSPV001 Limited
Percentage effectively owned by GSF	100%	100%
Contract Type	Front of the Meter	Behind the Meter
Site Type	Greenfield	Port
Status	Construction	Final Pre Commissioning
Commissioning / Expected Commissioning	Targeted to become operational in Q4 2019	Asset became operational in October 2019.
Battery Supplier	NEC ES	NEC ES

	5. Mullavilly	6.Drumkee
Location	Northern Ireland	Northern Ireland
Size	50 MW	50 MW
SPV Entity	Mulavilly Energy Limited	Drumkee Energy Limited
Percentage effectively owned by GSF	51%	51%
Contract Type	Front of the Meter	Front of the Meter
Site Type	Greenfield	Greenfield
Status	Design-phase	Design-phase
Commissioning / Expected Commissioning	Targeted to become operational in Q4 2020	Targeted to become operational in Q1 2021
Battery Supplier	To Be Determined	To Be Determined

At period end the company held options to project rights, subject to condition precedent, to a further 60.0 MW and extended certain loans to the project vehicles. The projects were acquired post period end on October 11, 2019 (please see Note 23). These assets are situated in the Republic of Ireland and are scheduled for start of operations in Q3 2021. Please see below description of the Republic of Ireland assets.

	7. Porterstown	8.Kilmannock
Location	Republic of Ireland	Republic of Ireland
Size	30 MW	30 MW
SPV Entity	Porterstown Battery Storage Limited	Kilmannock Battery Storage Limited
Percentage effectively owned by GSF	51%	51%
Contract Type	Front of the Meter	Front of the Meter
Site Type	Greenfield	Greenfield
Status	Post Acquisition	Post Acquisition
Commissioning / Expected Commissioning	Targeted to become operational in Q3 2021	Targeted to become operational in Q3 2021
Battery Supplier	To Be Determined	To Be Determined

Investment Advisors Report continued

For the period ended 30 September 2019

Market Update

Energy Storage Market

The energy storage market has the capacity to support delivery of stacked or multiple services to the grid and to commercial/industrial partners. While the Company's operational assets currently provide firm frequency response ("FFR"), capacity market services and Triad services, it is anticipated that beginning as early as next year, the suite of services available at market will expand to include Balancing Mechanism, Wholesale/Trading, and Black Start (these services will be explained in greater detail later in the document).

Energy Storage in Great Britain

Regulatory changes in the GB storage market are trending towards a push for increased use of energy storage both as a renewables enabler and as a component for electricity system flexibility.

With the increase in distributed generation and renewable energy, the regulator for electricity and gas in GB, Ofgem, has been reviewing electricity charging arrangements to ensure that they continue to be fit for purpose. Ofgem will commence implementation of legislation by year-end 2019 to enable more cost reflective pricing, removal of barriers to market participants and more effective ancillary markets.

A blackout event in August 2019 led to a greater procurement of FFR volumes, resulting in a positive short-term market drive for the storage market. The blackout may have also reinvigorated the overall systems review by the National Grid and Ofgem. In addition, Government legislation implemented on 28 of June 2019 is targeting net zero emissions by 2050.

These events have potential to positively impact the energy storage sector with potential for the energy storage market in GB to grow from 2.9 GW in 2017 to between 5.9 GW to 9 GW by 2030.[1]

At the time of writing, uncertainty remains over Brexit as the UK faces a General Election on 12 December 2019 and it's possible impact on the British energy markets. The Investment Advisor's view remains that potential changes to licences and codes should not materially impact the Company's business.

The major revenue streams for the Company's assets in GB are:

- **Firm Frequency Response Market**

FFR is the largest source of revenues for the Company. Given the intermittent nature of renewable energy generation, FFR aims to stabilize the grid around a target frequency. The Investment Advisor anticipates amendment to a weekly auction format by National Grid, currently under trial[2], moving away from the current monthly format. The shorter format will likely result in improved optimisation of the stack of revenue opportunities available to battery storage companies.

- **Triad market**

Triad income is based on the peak shifting service applied during the three half-hour periods of highest demand (Triad) on the GB electricity transmission system (between November and February each year). The demand during a Triad is measured as the net demand on the transmission system (measured at the grid supply point where the distribution and transmission network meet). If suppliers can contract with generators embedded within the distribution network to export during likely Triad periods, then the effect is to reduce their net demand at the grid supply point, thereby reducing their exposure to Triad charges.

Network charging is under review by the GB regulator, Ofgem, and could result in an amendment or elimination of Triad. The Investment Advisor has assumed no Triad income across its portfolio after April 2023.

- **Capacity Market (CM)**

The UK capacity market is a policy mechanism that provides a long-term revenue stream to storage systems based on their availability for dispatch.

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[1] https://www.nortonrosefulbright.com/en-mo/knowledge/publications/4eb35d75/scaling-up-energy-storage-in-great-britain-progress-on-change

[2] https://www.nationalgrideso.com/publications/future-balancing-services

Investment Advisors Report continued

For the period ended 30 September 2019

Energy Storage in Great Britain continued

The Company previously reported the suspension of the capacity market on 15 November 2018, following a legal challenge to the original State Aid approval. Following the suspension, the Company wrote off 12-months of capacity market revenues. On 24 October 2019 the European Commission ruled in favour of the Capacity Market, enabling the UK Secretary of State to immediately issue 'trigger letters' to reinstate the scheme, prompt the collection of deferred payments and approve conditional T-1 auction capacity agreements[3].

With the reinstatement and the confirmation of back payments for the suspended period, the Company's net asset value will be revised upwards to reflect the reinstatement of its accrued and anticipated capacity market revenues in all four assets (29 MW) within GB.

Prospective Revenue Streams for the assets in GB are:

- **The Balancing Mechanism**

National Grid is responsible for balancing the GB system in real time. It uses the balancing mechanism ("BM") as one of the main tools to perform this role. In the BM, it is able to accept bids and offers from available market participants to decrease or increase their output (respectively). By comparison to FFR, it is a much larger market of 1 GWh[4].

National Grid has been working on widening access to the BM to make it more accessible for smaller generators, remove barriers to entry, improve existing routes to the BM and create new routes to market.

The Investment Advisor is reviewing options for entering the BM with selected sites in the future.

- **Wholesale Trading**

The wholesale electricity markets relate to generation, transmission, distribution, and supply of electricity, trading in wholesale electricity or cross-border exchanges in electricity. Wholesale trading can be implemented in conjunction with participating in the Balancing Mechanism and the Investment Manager is evaluating an integrated, cross market strategy.

- **Black Start**

The National Grid has developed Black Start as a procedure to restore power in the event of a total or partial shutdown of the national electricity transmission system. The National Grid has set out its intention to broaden participation in this market, with storage assets able to participate. Competitive tenders are underway covering three zones.

Energy Storage in Ireland

Since the last report, the Investment Advisor has announced the successful participation in the Irish fixed-term auctions for system services. This auction occurred under the multi-year DS3 programme ("Delivering a Secure, Sustainable Electricity System"). The aim is to meet the challenge of operating the all-Ireland electricity system in a secure manner while achieving the 2020 renewable electricity target (40% by 2020; a 70% target for 2030 was announced by the Irish Minister Richard Bruton in March 2019). A key focus of DS3 is the procurement of services needed to operate the system following the increasing prevalence of renewables. The Irish Governments' commitment to such progress, combined with the Republic of Ireland's high growth economy, makes it a particularly attractive market from a renewables perspective.

There are two main procurement routes for system services under the DS3: (a) a 'volume uncapped' route offering contracts but with no pre-set terms or timeframes for those contracts, and (b) the 'volume capped' route with competitive tendering for 6-year fixed term contracts. The Company has majority ownership of, and a preferred return from the two assets under the uncapped regime in Northern Ireland.

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[3] Capacity Market reinstatement: letters from BEIS to National Grid ESO and ESC, 25 October 2019. URL: https://www.gov.uk/government/publications/capacity-market-reinstatement-letters-from-beis-to-national-grid-eso-and-esc-october-2019

[4] Aurora Energy Report : Distributed and Flexible energy meeting (31 October 2019)

Investment Advisors Report continued

For the period ended 30 September 2019

Energy Storage in Ireland continued

The Company's two assets in the Republic of Ireland successfully participated in the first tender under the volume capped route (which took place in August 2019) and secured 60MW out of the 110MW procured by EirGrid. The volume capped contracts are offered for a six-year term. The Company has majority ownership of, and a preferred return from the Porterstown and Kilmannock assets under the capped regime in the Republic of Ireland. The assets are scheduled to commence service delivery by 1 September 2021.

The Company is preparing for participation in the DS3 uncapped market through two 50 MW projects in Northern Ireland. The uncapped market offers a five-year term up to 30 April 2023, with an option for the Transmission System Operator (TSO) to extend by up to three years. The TSO can also terminate early on 12 months' notice.

The Advisor anticipates further developments in a positive direction for storage as other markets build a best practice model for the treatment of storage in network regulation.

Investment Performance -

The NAV per share for the Company as at 30 September 2019 was 95.5 pence.

NAV Bridge (31 March 2019 to 30 September 2019)

NAV Bridge	**NAV £ Million**
NAV as of 31 March 2019	28.1
Offering Proceeds	6.34
Offering expense	-0.16
Fund Opex	-0.59
Interest and management fee income	0.24
Dividends	-0.31
Acquisition and Capex, net of distribution	-11.50
Distribution from SPV's	-0.27
Increase in NAV of Portfolio SPVs (from 31 March to 30 September 2019)	14.01
Total NAV (30 September 2019)	35. 87

The NAV per share as at 31 March 2019 was 92 pence per share (30,600,000 issued Ordinary Shares). The NAV per share as at 30 September 2019 was 95.5 pence per share (37,562,148 issued Ordinary Shares).

Valuation of the Investment Portfolio

The Investment Advisor is responsible for providing a fair market valuation of the Company's underlying assets. The results of fair market value of the Company's investment portfolio are presented to the Company's Board of Directors for their review and approval. Investments are reported at the Directors' estimate of fair value at the reporting date. Investment Valuations are calculated by Management quarterly and reviewed on a sample basis by a third party in the mid-year and end of year reports. For this period, the Independent Valuer, BDO performed valuations on all assets held by the company with the exception of the Company's Republic of Ireland assets and Cenin.

The Investment Advisor uses a Discounted Cash Flow ("DCF") method for all the projects. The methodology adheres to IFRS 13 as well as the International Valuation Standards Council ("IVSC").

The Investment Advisor applies multiple assumptions in the valuation models as detailed below:

General

- Discount rate: For the assets currently in operation, the Investment Advisor applied a discount rate from 6.0% to 10%. The 6.0% discount rate is applied only for revenue contracted periods for operational assets, reflecting the lower risk associated with National Grid as a counterparty. The 10% discount rate is applied for projects in the early construction or pre-construction stage.

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Investment Advisors Report continued

For the period ended 30 September 2019

Valuation of the Investment Portfolio continued

Revenue

- Movement in working capital: Change in working capital (period-on-period current assets less current liabilities) is incorporated into project cash flows through an assessment of relevant balance sheet operating line items (e.g.: changes in receivables, payables and VAT balance).
- Foreign exchange rate: Rate is based on the spot rate as of 30 September 2019 and relevant forward rate on that day.
- Contracted revenues based on the actual contracted prices and estimated availability, forecast cash flow increments and forecast receipt timings
- Uncontracted revenues based on the unit price forecast from third party research house(s).
- Future optimum mix of various revenue contracts based on in-house expertise and advice from industry experts (third party consultants).

Operating Expenses

- Expenses based on (a) contracted prices under long term agreement (e.g. machinery maintenance and lease contract) or (b) most recent actuals/quotes with inflation adjustments.
- Energy cost based on system efficiency from EPC's technical specifications, published transmission/distribution network tariff and third-party electricity price forecast.

Capital Expenditure

- Capital expenditure based on (a) contracted prices and its payment schedule and (b) estimated future price based on third party forecast and/or in-house view referencing most recent pricing levels.

Portfolio Summary

(A) Great Britain (Excluding Northern Ireland) Portfolio

1. **Boulby (6 MW)**
   From April 2019 to September 2019, Boulby's average availability for frequency services was circa 85% attributable primarily to a short-term failure of its inverter. Excluding this incident, availability was 97% inclusive of planned maintenance work and system disconnection failure.

2. **Cenin (4 MW[5])**
   From April 2019 to September 2019, Cenin's average availability was 97.4%. The majority of time offline related to state of charge management or minor system issues (less than 3 hours), with an incident of failure in the site's communication system resulting in the site going offline for 23 hours on July 23.

3. **Lower Road (10 MW)**
   The Company finalised its investment in Lower Road in September 2018 by acquiring OSSPV001, an SPV owning the rights to the project. Project construction is near completion and delivery is expected in Q4 2019.

4. **Port of Tilbury (9 MW)**
   The Company finalised its investment in Port of Tilbury in September 2018 by acquiring OSSPV001. At time of writing, construction was operational by October 18, 2019.

   The Company has the option to upgrade and increase capacity from 4.5 MWh to 9 MWh within the first 3.5 years after the start of operations.

   The fair market value of the above Great Britain (Excluding Northern Ireland) portfolio was £6,241,261 calculated using the discounted cash flow methodology.

[5] 2.0 MW proportionately to the Company's share shareholding portion

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Investment Advisors Report continued

For the period ended 30 September 2019

Portfolio Summary continued

(B) Northern Ireland Portfolio

5. Mullavilly

On 4 June 2019, the Company acquired 51% of Mullavilly Project in Northern Ireland with a total installed capacity of 50.0 MW. Low Carbon, the seller and developer, maintains 49% ownership of the Project.

The estimated total capex required for the Mullavilly Project is c. £ 20 million. The capex will be funded either from operating cash flow from the asset or by GSF by way of a shareholder loan (SHL) carrying 10% interest, stepping down to 9% upon commissioning. GSF will share excess profits (following loan repayment) with Low Carbon.

The Mullavilly Project is expected to derive revenues from the “DS3” or “Delivery Secure Sustainable Electricity System” Programme operated in Northern Ireland as well as the Irish Capacity Remuneration Mechanism and wholesale trading revenues (the latter after the end of DS3 services). The Company intends to participate under the DS3 Standard Contracts tender in October 2020 and proceed with testing throughout December and January. Operations are estimated to start at the end of Q4 2020.

The project is on track and in its design stage.

5. Drumkee

On 4 June 2019, the Company acquired 51% of Drumkee Project in Northern Ireland with a total installed capacity of 50.0 MW. Low Carbon was the Projects’ seller and developer; and are 49% equity partner is each Project.

The estimated total capex required for the Drumkee Project is c. £ 20 million. The capex will be funded either from operating cash flow from the asset or by GSF by way of a shareholder loan (SHL) carrying 10% interest, stepping down to 9% upon commissioning. GSF will share excess profits (following loan repayment) with Low Carbon.

Similarly to Mullavilly the project, the Drumkee Project is expected to derive revenues from the “DS3” Programme as well as the Irish Capacity Remuneration Mechanism and wholesale trading revenues (the latter after the end of DS3 services). The Company intends to participate under the DS3 Standard Contracts tender in October 2020 and proceed with testing throughout December and January. Operations are estimated to start at the end of Q1 2021.

The project is on track and in its design stage.

The fair market value of the Company’s 51% share (inclusive of equity and debt) of the Northern Ireland Portfolio was £10,973,092 calculated using the discounted cash flow methodology.

(C) Republic of Ireland Portfolio

6. Republic of Ireland Assets

On 4 June 2019, the Company acquired the rights to purchase controlling interests in a portfolio of two assets in the Republic of Ireland ("RI Projects") from renewable energy developer, Low Carbon subject to the RI Projects' receipt of grid and revenue contracts.

On 9 August 2019, it was announced that the two 30 MW projects were successful in Eirgrid’s DS3 auction process; consequently The value of loans provided by the Company to the asset SPV to enable completion of the EirGrid contracting and grid connection requirements was £3,281,622. Rights to ownership of 51% of these Asset SPV’s crystallised post period end.

Investment Advisors Report continued

For the period ended 30 September 2019

Governance

The Investment Advisor regularly reviews all energy storage assets to ensure they are compliant with planning consent and additional conditions set by the relevant local councils. Over the past six months we have added to both our Investment and Technical staff, bolstering what was already an experienced and skilled team. As the Fund continues to grow, we look forward to making further additions over the coming months.

Investment Pipeline

Investment opportunities under exclusivity arrangements or advanced negotiations are listed below.

Exclusive Assets or in advanced stage of negotiations		
Project	**Location**	**Total project size - MW**
Project 1	United Kingdom	40
Project 2	United Kingdom	10
Project 3	United Kingdom	50
Project 4	United Kingdom	20
Project 5	Ireland	30
Project 6	Ireland	30
Project 7	Ireland	22.5
Project 8	Ireland	50
Project 9	Belgium	25
Project 10	Germany	11
Project 11	United States	40

AIFM

On December 2 2019 Gore Street Capital Limited was authorised and regulated by the Financial Conduct Authority. A further application is pending with regard to “passporting”, after which process is completed Gore Street Capital Limited will take over the role of AIFM from Mirabella LLC on January 1 2020.

Gore Street Capital
Investment Advisor
Date: 11 December 2019

Statement of Directors’ Responsibilities
in respect of the preparation of the Interim Financial Statements

The Directors, who are required to prepare the financial statements on a going concern basis unless it is not appropriate, are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered information relating to present and future conditions, including future projections of profitability and cash flows.

The Directors confirm that to the best of their knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU;

b) the Half-year report includes a fair review of the information required by:

i) DTR 4.2.7R of the Disclosure Rules and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year ending 31 March 2020 and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

ii) DTR 4.2.8R of the Disclosure Rules and Transparency Rules, being (i) related party transactions that have taken place in the first six months of the financial year ending 31 March 2020 which have materially affected the financial position or performance of Gore Street Energy Storage Fund PLC during that period; and (ii) any changes in the related party transactions described in the Annual report and accounts 2019 that could materially affect the financial position or performance of the Gore Street Energy Storage Fund PLC during the first six months of the financial year ending 31 March 2020.

The Directors of Gore Street Energy Storage Fund PLC and their functions are listed below

Patrick Cox, Chairman and Chairman of the Management Engagement Committee
Caroline Banszky, non executive Director and Chairman of the Audit Committee
Malcolm Robert King, non executive Director
Thomas Scott Murley, non executive Director

Patrick Cox
Chairman
Date: 11 December 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF GORE STREET ENERGY STORAGE FUND PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2019 which comprises the Interim Condensed Statement of Comprehensive Income, the Interim Condensed Statement of Financial Position, the Interim Condensed Statement of Changes in Equity, the Interim Condensed Statement of Cash Flow and the related explanatory notes that have been reviewed. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note **2**, the annual financial statements of the company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2019 is prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
Date December 2019

Interim Condensed Statement of Comprehensive Income

For the period ended 30 September 2019

	Notes	1 April 2019 to 30 September 2019 (£)			1 April 2018 to 30 September 2018 (£)		
		Revenue	Capital	**Total**	Revenue	Capital	**Total**
Gain/(loss) on Investment at fair value through profit and loss	**7**	-	2,219,191	**2,219,191**	-	(110,380)	**(110,380)**
Investment income	8	236,065	-	**236,065**	18,863	-	**18,863**
Administrative and other expenses	9	(568,130)		**(568,130)**	(286,295)		**(286,295)**
Profit/(loss) before tax		(332,065)	2,219,191	**1,887,126**	(267,432)	(110,380)	**(377,812)**
Taxation	10	-	-	-	-	-	-
Profit/(loss) after tax and loss for the period		(332,065)	2,219,191	**1,887,126**	(267,432)	(110,380)	**(377,812)**
Total comprehensive profit/(loss) for the period		(332,065)	2,219,191	**1,887,126**	(267,432)	(110,380)	**(377,812)**
Profit/(loss) per share (basic and diluted) – pence per share	11			5.86			(1.23)

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

The Total column of this statement represents Company's profit and loss account, prepared in accordance with Interim Financial Reporting and interpretations adopted by the European Union. The return on ordinary activities after taxation is the total comprehensive income and therefor 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 issued by the Association of Investment Companies. All items in the above statement derive from continuing operations of the Company. No operations were acquired or discontinued in the year.

The notes on pages 22 to 36 form an integral part of these financial statements.

Gore Street
Energy Storage Fund

Interim Condensed Statement of Financial Position

As at 30 September 2019

Company number 11160422

	Notes	30 September 2019 (£)	31 March 2019 (£)
Non – Current Assets			
Investments at fair value through the profit or loss	12	20,485,555	6,482,964
		20,485,555	6,482,964
Current assets			
Cash and cash equivalents	13	10,537,140	17,223,770
Trade and other receivables	14	5,070,670	4,616,613
		15,607,810	21,840,383
Total assets		36,093,365	28,323,347
Current liabilities			
Trade and other payables	15	220,982	207,510
		220,982	207,510
Total net assets		35,872,383	28,115,837
Shareholders equity			
Share capital		375,621	306,000
Share premium		6,173,275	67,476
Special reserve		186,656	186,656
Capital reduction reserve		28,284,177	28,590,177
Capital reserve		1,654,127	(565,064)
Revenue Reserve		(801,473)	(469,408)
		35,872,383	28,115,837
Total shareholders equity		35,872,383	28,115,837
Net asset value per share	18	0.96	0.92

The half yearly financial statements were approved and authorised for issue by the Board of directors and is signed on its behalf by;

Patrick Cox
Chairman
Date: 11 December 2019

The notes on pages 22 to 36 form an integral part of these financial statements.

Gore Street
Energy Storage Fund

Interim Condensed Statement of Changes in Equity

For the period ended 30 September 2019

	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Capital reserve (£)	Revenue Reserve (£)	Total shareholders equity (£)
For the period ended 30 September 2018:							
As at 1 April 2018	-	-	-	-	-	-	-
Comprehensive loss for the period							
Loss for the period	-	-	-	-	(110,380)	(267,432)	(377,812)
Total comprehensive loss for the period	-	-	-	-	(110,380)	(267,432)	(377,812)
Transactions with owners							
Ordinary shares issued at a premium during the period	306,000	30,294,000	-	-	-	-	30,600,000
Share issue costs	-	(551,459)	-	-	-	-	(551,459)
Issue of redeemable preference shares	12,500	-	-	-	-	-	12,500
Redemption of redeemable preference shares	(12,500)	-	-	-	-	-	(12,500)
Transfer to special reserve	-	(186,656)	186,656	-	-	-	-
Transfer to capital reduction reserve	-	(29,508,177)	-	29,508,177	-	-	-
As at 30 September 2018	**306,000**	**47,708**	**186,656**	**29,508,177**	**(110,380)**	**(267,432)**	**29,670,729**
For the period ended 30 September 2019:							
As at 1 April 2019	306,000	67,476	186,656	28,590,177	(565,064)	(469,408)	28,115,837
Comprehensive profit for the period							
Profit for the period	-	-	-	-	2,219,191	(332,065)	1,887,126
Total comprehensive profit for the period	306,000	67,476	186,656	28,590,177	1,654,127	(801,473)	30,002,963
Transactions with owners							
Ordinary shares issued at a premium during the period	69,621	6,265,934	-	-	-	-	6,335,555
Share issue costs	-	(160,135)	-	-	-	-	(160,135)
Dividends	-	-	-	(306,000)	-	-	(306,000)
As at 30 September 2019	**375,621**	**6,173,275**	**186,656**	**28,284,177**	**1,654,127**	**(801,473)**	**35,872,383**

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

Note: Capital reserve and Revenue reserve have been renamed from Revaluation reserves and Retained earnings, respectively, from previous naming conventions.

The notes on pages 22 to 36 form an integral part of these financial statements.

Interim Condensed Statement of Cash Flow

For the period ended 30 September 2019

	1 April 2019 to 30 September 2019 (£)	1 April 2018 to 30 September 2018 (£)
Cash flows used in operating activities		
Loss for the period	1,887,126	(377,812)
Net (gain)/ loss on investments at fair value through the profit and loss	(2,219,191)	110,380
Increase in trade and other receivables	(454,057)	(4,695,294)
Increase in trade and other payables	13,472	177,663
Net cash used in operating activities	**(772,650)**	**(4,785,063)**
Cash flows used in investing activities		
Purchase of investments	(11,783,400)	(8,091,831)
Net used in investing activities	**(11,783,400)**	**(8,091,831)**
Cash flows used in financing activities		
Proceeds from issue of ordinary shares at a premium	6,335,555	30,600,000
Share issue costs	(160,135)	(551,459)
Issue of redeemable preference shares	-	12,500
Redemption of redeemable preference shares	-	(12,500)
Dividends	(306,000)	-
Net cash inflow generate from financing activities	**5,869,420**	**30,048,541**
Net change in cash and cash equivalents for the period	**(6,686,630)**	**17,171,647**
Cash and cash equivalents at the beginning of the period	17,223,770	-
Cash and cash equivalents at the end of the period	**10,537,140**	**17,171,647**

The notes on pages 22 to 36 form an integral part of these financial statements.

Notes to the interim condensed financial statements

For the period ended 30 September 2019

1. General information

Gore Street Energy Storage Fund plc (the "Company") was incorporated in England and Wales on 19 January 2018 with registered number 11160422. The registered office of the Company is 7th Floor, 9 Berkeley Street, London, W1J 8DW. Its share capital is denominated in Pound Sterling (GBP) and currently consists of ordinary shares. The Company's principal activity is to invest in a diversified portfolio of utility scale energy storage projects primarily located in the UK, although the Company will also consider projects in North America and Western Europe.

2. Basis of preparation

Statement of compliance

The half yearly financial statements for the period ended 30 September 2019 have been prepared in accordance with IAS 34, Interim Financial Reporting and interpretations adopted by the European Union, and in accordance with the Companies Act 2006 as applicable to companies using IFRS. The financial statements have been prepared on a historical cost basis except for the investment portfolio at fair value through the profit or loss. The accounting policies and methods of computation are the same as those applied in the Company's annual financial statement.

The half yearly financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 31 March 2019. The comparative period for the prior year is for the six months ended 30 September 2018.

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

The Company's business activities, together with the factors likely to affect its future development performance and position, are set out in the Investment Advisor's Report. The Company faces a number of risks and uncertainties. The Company continues to meet day-to-day liquidity needs through its cash resources.

As at 30 September 2019, the Company had net current assets of £15,387 million (31 March 2019: £21.633 million) and had cash balances of £10,537 million (31 March 2019: £17.224 million) (excluding cash balances within investee companies), which are sufficient to meet current obligations as they fall due. The major cash outflows of the Company are the payment of dividends and costs relating to the acquisition of new assets, both of which are discretionary. The Company had no outstanding debt as at 30 September 2019 (31 March 2019: same).

The Directors have reviewed Company forecasts and projections which cover a period of not less than 12 months from the date of the approval of these financial statements, taking into account foreseeable changes in investment and trading performance, which show that the Company has sufficient financial resources. On the basis of this review, and after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the interim financial statements.

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:

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

3. Significant accounting judgements, estimates and assumptions

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.

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 ongoing basis.

Valuation of Investments

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

4. New and revised standards and interpretations

New and revised IFRSs adopted by the Company

The accounting policies used in the preparation of the financial statements have been consistently applied during the period ended 30 September 2019.

The Company has adopted IFRIC 23 – Uncertainty over Income Tax Treatments, however, the Directors have determined there to be no uncertain tax positions, therefore application of IFRIC 23 does not have an impact on the Company's financial statements.

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

5. Summary of significant accounting policies

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

Investment Income

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

Expenses

Expenses are accounted for on an accrual basis and charged to the Statement of Comprehensive income. Share issue cost is taken from equity. Expenses are charged through the Revenue account except those which are capital in nature, including 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 Statement of Comprehensive Income in the period in which they arise. The value of the Investment may be increased or reduced by the assessed fair value movement.

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

5. Summary of significant accounting policies continued

Taxation

The Company is approved as an Investment Trust Company ("ITC") under sections 1158 and 1159 of the Corporation Taxes Act 2010. The approval is subject to the Company continuing to meet the eligibility conditions of the Corporations Tax Act 2010. The Company intends to ensure that it complies with the ITC regulations on an ongoing basis and regularly monitors the conditions required to maintain ITC status.

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

A deferred tax asset has not been recognised in respect of surplus management expenses, as the Company is unlikely to have sufficient future taxable revenue to offset against these.

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 when they become legally payable, 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.

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

5. Summary of significant accounting policies continued

Financial Instruments continued

Financial assets

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

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

Financial assets measured at amortised cost

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

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

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

a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
c) it is classified as held for trading (derivative contracts in an asset position).

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

Financial liabilities

Financial liabilities measured at amortised cost

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

Recognition and derecognition

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

Impairment of financial assets

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

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

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

Fair value measurement and hierarchy

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

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

5. Summary of significant accounting policies continued

Fair value measurement and hierarchy continued

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

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

During the period, expenses incurred with JTC (UK) Limited for administrative and secretarial services amounted to £33,211 (30 September 2018: £21,226) with £15,000 (31 March 2019: £15,000) being outstanding and payable at the period end.

AIFM

The AIFM, Mirabella Financial Services LLP (the “AIFM”), is entitled to receive from the Company, in respect of its services provided under the AIFM agreement, an initial fee of £10,000 plus a monthly fee of £7,500 for the term of the AIFM agreement. During the period, AIFM fees amounted to £61,466 (30 September 2018: £26,539) with the £74,162 being outstanding and payable at the period end (31 March 2019: £66,346).

Investment Advisory

The fees relating to the Investment Advisor are disclosed within note 21 Transactions with related parties.

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

	30 September 2019 (£)	30 September 2018 (£)
Net capital gain/(loss) on investments at fair value through the profit and loss	2,219,191	(110,380)
	2,219,191	(110,380)

8. Investment Income

	30 September 2019 (£)	30 September 2018 (£)
Bank interest income	38,092	18,863
Interest income on NEC Advance	181,973	-
Management fee income	16,000	-
	236,065	18,863

Notes to the interim condensed financial statements continued
For the period ended 30 September 2019

9. Administrative and other expenses

	30 September 2019 (£)	30 September 2018 (£)
Administration fees	33,211	21,226
Statutory Audit fees (includes initial accounts audit for 2018)	32,500	36,000
Non Audit services (interim review)	24,000	-
Directors remuneration	45,000	31,731
Directors & Officers' insurance	5,475	5,198
Investment advisory fees	150,389	40,499
Legal and professional fees	177,184	79,145
Management fees	61,466	26,539
Marketing fees	9,365	22,528
Sundry expenses	29,540	23,429
	568,130	286,295

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%.

	30 September 2019 (£)	30 September 2018 (£)
(a) Analysis of tax charge/ (credit) for the period		
Current tax		
UK corporation tax at 19%	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Tax on profit on ordinary activities	-	-
Provision for deferred tax		
Movement in provision:		
Provision at start of period	-	-
Deferred tax charged in the Statement of Comprehensive Income	-	-
Provision at the end of period	-	-
Deferred tax (asset)/ liability not recognised	(131,558)	-

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

10. Taxation continued

	30 September 2019 (£)	30 September 2018 (£)
Reconciliation of tax charge		
Profit/(loss) on ordinary activities before tax	1,887,126	(377,812)
Tax on loss on ordinary activities at standard CT rate of 19%	358,554	-
Effects of:		
Expenses not deductible for tax purposes	-	-
Deferred tax not recognised	56,451	-
Changes in tax rate	6,641	-
Unrealised (gain)/loss on fair value adjustments	(421,646)	-
Tax charge/ (credit) for the period	-	-

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.

	30 September 2019 (£)	30 September 2018 (£)
Net gain/(loss) attributable to ordinary shareholders	1,887,126	(377,812)
Weighted average number of ordinary shares for the period	32,197,870	30,600,000
Profit/(loss) per share – Basic and diluted (pence)	5.86	(1.23)

12. Investments

	Place of business	Percentage ownership	30 September 2019 (£)	31 March 2019 (£)
GSES1 Limited ("GSES1")	England & Wales	100%	20,485,555	6,482,964

The Company meets the definition of an investment entity. Therefore, it does not consolidate its subsidiaries or equity method accounted 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 up to £10 million and is available for a period of 20 years from 28 June 2018. The rest is funded through equity. The loan is interest bearing and attracts interest at 5% per annum. Investments in the indirect subsidiaries are also structured through loan and equity investments and the ultimate investments are in energy storage facilities. Realisation of increases in fair value in the indirect subsidiaries will be passed up the structure as distributions on the equity investment. GSES1 controls NKESS, and GSC LRPOT and GSF IRE as listed below which in turn hold an interest in project companies as disclosed in the in table below.

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

12. Investments continued

	Immediate Parent	Place of business	Percentage ownership	Ownership	Investment
NK Energy Storage Solutions Limited (“NKESS”)	GSES1	England & Wales	100%	Wholly owned	
NK Boulby Energy Storage	NKESS	England & Wales	99.998%	Wholly owned	Boulby
Kiwi Power ES B	NKESS	England & Wales	49%	Partially owned	Cenin
GSC LRPOT Limited (“GSC LRPOT”)	GSES1	England & Wales	100%	Wholly owned	
OSSPV001 Limited	GSC LRPOT	England & Wales	100%	Wholly owned	Lower Road Port of Tilbury
GSF IRE Limited	GSES1	England & Wales	100%	Wholly owned	
Mullavilly Energy Limited	GSF IRE	England & Wales	51%	Partially owned	Mullavilly
Drumkee Energy Limited	GSF IRE	England & Wales	51%	Partially owned	Drumkee

13. Cash and cash equivalents

	30 September 2019 (£)	31 March 2019 (£)
Cash at bank	10,537,140	223,770
Notice deposit held at Barclays bank	-	17,000,000
	10,537,140	17,223,770

14. Trade and other receivables

	30 September 2019 (£)	31 March 2019 (£)
VAT recoverable	102,366	22,554
Prepaid D&O insurance	13,337	298
Prepaid Investment Advisors fees	95,414	23,800
Other Debtors	91,810	69,961
Advance to NEC ES	4,500,000	4,500,000
Interest on advance to NEC ES	181,973	-
Prepaid share issue costs	85,770	-
	5,070,670	4,616,613

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

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

14. Trade and other receivables continued

As NEC ES was unable to supply to the Company products, equipment and/ or services on terms agreeable to the Company to the value of the Company's advance within 12 months from the date of the Company's admission on the London Stock Exchange, NEC ES would within 14 days of the end of such period pay to the Company (a) the balance of the advance payment less the amount of value that has been supplied to the Company in that period and (b) interest on the balance accrued from the date of admission at a rate of 3 per cent, per annum. At the end of the initially described term, but not a termination of the agreement, it was agreed between NEC ES and the Company that NEC ES could continue to hold the £4.5m advance, accruing the years interest payable and 3% coupon. As at 30 September 2019, although EPC contracts were signed between NEC ES and the Company and projects are under construction, no payment under these EPC contracts were due at period end and the balance remained outstanding, with interest accruing at the rate of 3 per cent, per annum. It is expected that this advance will be settled within 18 months with the EPC contracts currently in place.

15. Trade and other payables

	30 September 2019 (£)	31 March 2019 (£)
Administration fees	15,000	15,000
AIFM fees	74,162	66,346
Audit fees	89,000	65,000
Directors remuneration	11,426	9,725
Accrued IPO costs	-	13,200
Professional fees	16,145	25,553
Other creditors	15,249	12,686
	220,982	207,510

16. Categories of financial instruments

	30 September 2019 (£)	31 March 2019 (£)
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	10,537,140	17,223,770
Trade and other receivables	5,070,670	4,616,613
Fair value through profit or loss:		
Investments	20,485,555	6,482,964
Total financial assets	**36,093,365**	**28,323,347**
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	220,982	207,510
Total financial liabilities	220,982	**207,510**

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019.

17. Fair Value measurement

Valuation approach and methodology

The Company utilises 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 income approach 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).

Another method (also known as the Market Method or Capitalisation of Earnings method) involves applying appropriate multiples/ratios to the historical, current and/or forecast earnings of a company. The multiples/ratios are derived from the financial metrics available for comparable companies, adjusted to reflect such factors as size, wider range of activities and liquidity. Multiples are currently used to cross check the valuation and are not a significant input. Some sectors tend to use non-financial industry-specific multiples to determine the value of businesses. Within the renewable energy infrastructure sector, the most common ratio is £Enterprise value ("EV")/Megawatts ("MW") which captures the installed capacity of a renewable energy project and is the market method used to value the investment assets of the Company.

Valuation process

The Company held a portfolio of lithium-ion energy storage investments with a capacity of 8.0 Megawatt ("MW") operational and 19.0 MW pre operational (the "Investments") through its subsidiary companies. The Investments comprise six projects: Boulby, Cenin (49% owned by the Company), Lower Road, Port of Tilbury, Mullavilly and Drumkee. All of these investments are based in the UK. 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 both operational assets and pre-operational assets for the purpose of the valuation. The Company engages external, independent and qualified valuers to determine the fair value of the Company's investments or are produced by the office of the Investment Advisor. As at 30 September 2019, the fair values of the investments in NK Boulby Energy Storage Limited, (which owns Boulby Project), OSSPV001 Limited (Lower Road and Port of Tilbury) , and the Mullavilly Energy Limited and Drumkee Energy Limited (Mullavily and Drumkee respectively) has been determined (presented by the Investment Advisor and reviewed) by BDO LLP. All other investments are valued by the Investment Advisor.

Quantitative information

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

Investment	Valuation Technique	Significant Inputs Description	Significant Inputs (Range)	Fair Value (£) 30 September 2019	Fair Value (£) 31 March 2019
Great Britain (Excluding Northern Ireland) Portfolio	DCF	Discount rate Revenue /MWH	6% - 8% £5.5 –£40 £/MWH	6,241,261	6,485,965
Northern Irish Portfolio	DCF	Discount rate Revenue /MWH	9% - 10% £8 –£21 £/MWH	10,973,092	-
ROI Portfolio	DCF	Discount rate Revenue /MWH	10% €6 - €15 €/MWH	3,281,622	-
Intermediate Holding Company Value				(10,420)	(2,999)
Total Investments				**20,485,555**	**6,482,964**

Gore Street
Energy Storage Fund

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019.

17. Fair Value measurement continued

Sensitivity Analysis

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

Investment	Valuation Technique	Significant Inputs Description	Sensitivity	Estimated effect on Fair Value 30 September 2019	Estimated effect on Fair Value 31 March 2019
Great Britain (Excluding Northern Ireland) Portfolio	DCF	Revenue	+10%	2,342,678	1,384,900
			-10%	(2,544,498)	(1,550,047)
		Discount rate	+1%	(733,595)	(618,700)
			-1%	844,588	686,693
Northern Ireland Portfolio	DCF	Revenue	+10%	3,092,629	N/A
			-10%	(3,346,899)	
		Discount rate	+1%	(1,693,901)	
			-1%	1,997,658	
Republic of Ireland Portfolio	DCF	Revenue	+10%	2,501,242	N/A
			+10%	(2,428,613)	
		Discount rate	+1%	(1,533,455)	
			-1%	1,855,738	

Valuation of financial instruments

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

Reconciliation	30 September 2019 (£)	31 March 2019 (£)
Opening balance	6,482,964	-
Purchases during the year	11,783,400	8,561,656
Proceeds from investments – return of capital	-	(1,513,628)
Total fair value movement through the profit or loss	2,219,191	(565,064)
Closing balance	20,485,555	6,482,964

A minority shareholder of NK Boulby has a right to receive a certain share of NK Boulby distributions once NK Energy Solutions realises excess return over an agreed hurdle return from it's investment into NK Boulby. Based on free cash flow forecast used to compute the net asset value of NK 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. 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.

Gore Street
Energy Storage Fund

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

18. Net asset value per share continued

	30 September 2019	31 March 2019
Net assets per statement of financial position	£ 35,872,383	£ 28,115,837
Ordinary shares in issue as at reporting date	37,562,148	30,600,000
NAV per share – Basic and diluted (pence)	0.96	0.92

19. Share capital

	Ordinary shares Number	Share capital (£)	Share premium reserve (£)	Special reserve (£)	Capital reduction reserve (£)	Total (£)
As at 19 January 2018	-	-	-	-	-	-
Issue of 50,000 redeemable preference shares – one quarter paid up	-	12,500	-	-	-	12,500
Redemption and cancellation of 50,000 redeemable preference shares	-	(12,500)	-	-	-	(12,500)
Issue of ordinary shares of £0.01 and fully paid at £1 – 25 May 2018	30,600,000	306,000	30,294,000	-	-	30,600,000
Share issue costs		-	(531,691)	-	-	(531,691)
Transfer to capital reduction reserve and special reserve	-	-	(29,694,833)	186,656	29,508,177	-
Dividends	-	-	-	-	(918,000)	(918,000)
As at 31 March 2019	**30,600,000**	**306,000**	**67,476**	**186,656**	**28,590,177**	**29,150,309**
As at 1 April 2019	30,600,000	306,000	67,476	186,656	28,590,177	29,150,309
Issue of ordinary shares of £0.01 and fully paid at £1 – 19 August 2019	6,962,148	69,621	6,265,934	-	-	6,335,555
Share issue costs		-	(160,135)	-	-	(160,135)
Dividends	-	-	-	-	(306,000)	(306,000)
As at 30 September 2019	**37,562,148**	**375,621**	**6,173,275**	**186,656**	**28,284,177**	**35,019,729**

Share capital and share premium account and capital reduction reserve

On incorporation the Company issued 1 ordinary share of £1 which was fully paid up and 50,000 redeemable preference shares of £1 each which were paid up to one quarter of their nominal value. On 17 July 2018 the Directors resolved to redeem the 50,000 redeemable preference shares.

On 21 May 2018, the Board approved the proposed placing and offer for subscription (together the "Placing") of up to 100 million ordinary shares of £0.01 each in the capital of the Company at a price of £1 per ordinary share. It was intended that the ordinary shares of the Company would be admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange ("Admission"). On 25 May 2018, the Company issued 30,600,000 ordinary shares at a price of 100 pence per share, raising net proceeds from the Placing of £30,600,000. Admission subsequently took place on 25 May 2018. The consideration received in excess of the par value of the ordinary shares issued of £30,294,000 was credited to the share premium. Capital reduction reserve and revenue reserves are available to the Company for distributions to Shareholders as determined by the Directors.

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

19. Share capital continued

Following a successful application to the High Court and lodgement of the Company's statement of capital with the Registrar of Companies, the Company was permitted to reduce the capital of the Company by an amount of £29,694,833. This was affected on 16 August 2018 by a transfer of that amount from the share premium account to distributable reserves. A special reserve was created out of the distributable reserve for creditors outstanding as at the date of reduction being 16 August 2018 and the balance transferred to capital reduction reserve. The outstanding creditors as at 16 August 2018 were £186,656 and £29,508,177 was transferred to capital reduction reserve. The capital reduction reserve is classed as a distributable reserve and dividends paid by the Company are currently being offset against this reserve.

On 5 June 2019, the Board approved the proposed placing and offer for subscription (together the "Placing") of up to 50 million ordinary shares of £0.01 each in the capital of the Company at a price of £1 per ordinary share. It was intended that the ordinary shares of the Company be admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange ("Admission"). On 19 August 2019, the Company issued 6,962,148 ordinary shares at a price of 100 pence per share, raising net proceeds from the Placing of £6,130,651. Admission subsequently took place on 19 August 2019.

The consideration received in excess of the par value of the ordinary shares issued of £6,335,555 was credited to the share premium account.

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. An interim dividend of 1 pence per share is paid at 27 June 2019 and a further dividend of 2 pence per share is proposed by the Directors as at 30 September 2019. The total dividends paid for the period to 31 March 2019 was 4 pence per share.

20. Reserves

The nature and purpose of each of the reserves included within equity at 30 September 2019 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.
- Capital reduction reserve: represents a distributable reserve created following a Court approved reduction in capital.
- Revenue Reserves represent cumulative net gains and losses recognized in the Statement of Comprehensive Income.

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

21. Transactions with related parties

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

Details of related parties are set out below:

Directors

Patrick Cox, Chairman of the Board of Directors of the Company, is paid director's remuneration of £33,000 per annum; Caroline Banszky is paid Directors' remuneration of £21,000 per annum, with the remaining Directors being paid directors' remuneration of £18,000 per annum. Total Director's remuneration of £45,000 (30 September 2018: £31,731) was incurred in respect of the period with £11,426 (31 March 2019: £3,749) being outstanding and payable at the period end.

Investment Advisor

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

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

Gore Street
Energy Storage Fund

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

21. Transactions with related parties continued

Investment Advisor continued

For the purposes of the quarterly advisory fee, Adjusted Net Asset Value means:
(i) for the four quarters from First Admission, Adjusted Net Asset Value shall be equal to Net Asset Value;
(ii) for the next two quarters, Adjusted Net Asset Value shall be equal to Net Asset Value minus Cash on the Company's Statement of Financial Position, plus any committed Cash on the Company's Statement of Financial Position;
(iii) thereafter, Adjusted Net Asset Value shall be equal to Net Asset Value minus Cash on the Company's Statement of Financial Position.

Investment advisory fee of £150,389 (30 September 2018: £40,499) was paid during the period of which £95,414 (31 March 2019: £83,716) was paid in advance. The Investment Advisor waived a portion of its fees which resulted in a reduction of 61.24% on the actual fees incurred by the Company.

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

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

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

The performance fee payable to the Investment Advisor by the Company will be a sum equal to 10 per cent. of such amount (if positive) by which Net Asset Value (before subtracting any accrued performance fee) at the end of a calculation period exceeds the Benchmark provided always that in respect of any financial period of the Company (being 1 April to 31 March each year) the performance fee payable to the Investment Advisor shall never exceed an amount equal to 50 per cent of the Advisory Fee paid to the Investment Advisor in respect of that period. Performance fees are payable within 30 days from the end of the relevant calculation period. No performance fees were accrued as at 30 September 2019.

During the period the Investment Advisor provided operations management services to project companies (refer to note 12) resulting in the amount of £106,289 (30 September 2018: £28,371) being charged to the project companies by the Investment Advisor.

The charge per period of operations management services provided by the Investment Advisor to project companies (refer to note 12) amounts to £106,289 (30 September 2018 ££28,371) for the period.

22. Capital commitments

The Company has a commitment of circa. £8 million to invest into projects that involve NEC ES. Of this amount, £4.5 million has been advanced to NEC ES as mentioned in note 14. These projects depend on NEC ES providing, directly or indirectly, a supply of products, equipment and/ or services required for those projects within 12 months from the date of admission, provided NEC ES has the ability to meet the requirements of such projects and the terms of pricing of the products, equipment or services to be provided are on standard market terms. The Company's obligations in respect of the NEC ES commitment shall be discharged once NEC ES and/ or any of its affiliates received contractual commitments in respect of relevant project(s) in an amount equal to or greater than the amount of the NEC ES investment, or the lapse of the commitment period. At the period end this commitment is still in existence as a consequence of the duration of contracts which are nearing completion. One project is commissioned, the other is due for commissioning in December 2019. These projects, which were entered into prior to the lapse date, comprise commitments of totalling of circa £8m.

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

Notes to the interim condensed financial statements continued

For the period ended 30 September 2019

23. Post balance sheet events

Placing Programme

On the 4th of October the company announced an additional funding commitment from the Company's strategic partner, the National Treasury Management Agency ("NTMA"). NTMA, Ireland's sovereign wealth fund, funded £9.5m to be used by the Company for developing the RI Projects.

On October 11 2019, an application for admission to the premium segment of the Official List has been made to the Financial Conduct Authority and to the London Stock Exchange for admission of 10,106,610 ordinary shares of 1 penny each at a price of 93.8 pence per share.

On the 17th of October 1,264,071 new Ordinary Shares were issued at 93.8p per share to other parties, as the concluding element of that placing programme.

Purchase of Republic of Ireland Assets

On 4 June 2019, the Company acquired the rights to purchase controlling interests in a portfolio of four projects totalling 160MW in Northern Ireland ("NI Projects") and the Republic of Ireland ("RI Projects") from renewable energy developer, Low Carbon subject to the RI Projects' receipt of grid and revenue contracts. The 160MW includes the RI Projects, each with 30MW of capacity located in Porterstown, County Kildare and Kilmannock, County Wexford.

The Irish government is determined to support energy storage within the Delivering a Secure Sustainable Electricity System programme (the "DS3 Programme"). The purpose of the DS3 programme is to enable Ireland to meet its target of 75% non-synchronous and renewable (i.e. wind and solar) electricity across the all-island network. The DS3 market consists of both fixed and standard contracts available across the Irish grid in both the Republic of Ireland and Northern Ireland.

On 9 August 2019, EirGrid announced that the RI Projects' bids in the highly competitive DS3 capped market tender were successful and the projects were awarded contracts for the full 60MW of capacity. The RI Project vehicles have executed the DS3 contracts on 24 September 2019 and made payments of fees necessary to begin grid connection works.

The completion of the acquisition of the two RI assets which, as announced 4 October 2019, were successful in gaining two six-year fixed revenue contracts, occurred on 11 October 2019.

Dividends

An interim dividend of £751,243 (2 pence per share) was declared on 11 September 2019, which pertains to the quarter ended 30 June 2019. The interim dividend was subsequently paid during October 2019.

There were no further events after reporting date which requires disclosure.

Gore Street
Energy Storage Fund

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Caroline Banszky
Malcolm Robert King
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